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NEAR EAST/NORTH AFRICA REPORT

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INTERNATIONAL AFFAIRS

BRIEFS

NICER, BANGLADESH GET IDB LOANS--Jeddah, Dec. 8 (SPA)--The 35th session of the Board of Executive Directors of Islamic Development Bank began here Tuesday under Dr. Ahmad Muhammad Ali, the bank's president. The board will study the financing of some development projects in member states. Besides, it will discuss administrative and developmental aspects of the bank, as well as the sixth annual report and the budget of the Islamic Institute for Research and Training for 1982. Meanwhile, two agreements for foreign trade financing worth \$13 million were signed at the IDB headquarters in favor of Niger and Bangladesh. [Text] [Jiddah ARAB NEWS in English 9 Dec 81 p 2]

CSO: 4400/87

LIBYA'S INTERNATIONAL, REGIONAL AMBITIONS IN LEBANON ANALYZED

Paris POLITIQUE INTERNATIONALE in French Autumn 81 pp 275-287

[Article by Paul Giniewski*: "Lebanon in Libya's Overall Strategy"]

[Text] Following the Israeli raid on Osirak, Lebanon has occupied the forefront of news from the Middle East with the missile crisis, the bombing of Palestinian targets in Beirut and the ceasefire, which for the first time has involved the PLO and Israel in negotiations of some importance.

These ups and downs have pushed the signs of a potential escalation of the Arab-Israeli conflict into the background: the renewed outbreak of Libyan activity in Lebanon. On 28 May 1981, it will be recalled, Israel made an air attack on and destroyed several Soviet SAM-9 missile sites set up by Libya in areas controlled by the Palestinians in Lebanon. This operation may have constituted the first skirmish in a military confrontation which the Firmness Front (Libya, Syria, Algeria and Yemen) is trying to bring about between the Arab world and Israel.

Tripoli and Damascus: Division of Tasks

The Libyan presence in Lebanon, alongside the PLO, goes back to 1972, as Yasir 'Arafat recently recalled, but it enjoyed a spectacular resurgence in April and May 1981.

It was at the beginning of April, keeping a promise made to a PLO delegation visiting Tripoli, that Libya installed its SAM-9 missiles at Damur, Sayda, at the foot of the Shuf, in the eastern basin of the Zahra and perhaps even in Beirut.

Unlike the stationary SAM-2 and SAM-3 missiles, the SAM-9 missiles are installed on mobile platforms. Equipped with heat-seeking devices, they were successfully used against the Israeli Air Force during the Yom Kippur war. Libya used them to protect

* A newsman, Paul Giniewski contributes to numerous newspapers and periodicals in France and abroad. In recent years, his signature has been seen in LE MONDE, LE FIGARO, LE JOURNAL DE GENEVE, COMBAT, LE QUOTIDIEN DE PARIS, MIROIR DE L'HISTOIRE, RIVISTA DI STUDI POLITICI INTERNAZIONALI, ANNALI, MIDSTREAM, and so on. A political writer, he has devoted most of his books to Zionism and the Arab-Israeli conflict, in particular, "Le Bouclier de David," Berger-Levrault, 1959; "Le Sionisme d'Abraham a Dayan," Librairie Encyclopedique, Bruxelles, 1969; "L'Antisionisme," Librairie En Encyclopedique, Bruxelles, 1973; and "Etre Israel," Stock, 1979.

the most important Palestinian objectives. Tripoli regularly supplies the PLO with arms, but at the beginning of 1981, it provided it with sophisticated equipment: 130-mm cannons, 40-tube Katyushka rocket launchers, Grad rockets, and so on. Libya has purchased 40 MI Stol (short takeoff and landing) single-seat aircraft which it reserves for PLO air commando operations.

Libyan military advisers and troops are engaged in direct fighting in Lebanon. We do not know the exact number, but there are reportedly several hundred men assigned to PLO groups, Syrian troops and to the Murabituns that bombed the Christian port of Jounieh.

Qadhafi's intention is to turn the several thousand PLO fedayeen into a veritable army of 100,000 men by providing them with equipment taken from the stock of Soviet materiel stored in Libya. On 21 May 1981 alone, observers watched a convoy of 54 trucks loaded with Libyan weapons, mainly artillery, come from Syria. These weapons are generally airlifted to Syria, then taken overland to Lebanon.

Libya's foothold in Lebanon is being consolidated in close cooperation with Syria and it can be stated that the USSR is at least informed, if not the direct instigator, of the activity.

It was on his return from a trip to Moscow that Libyan Chief of Staff Abou Bakkar Younes went to Damascus on 1 and 2 May. There he met with the Syrian team of leaders (President Asad, Minister of Foreign Affairs Khaddam, Minister of Defense Talas) and Yasir 'Arafat.

At the same time, Colonel Qadhafi sent a letter to the Arab chiefs of state on 3 May urging them to intervene militarily in Lebanon in a direct and active way and to institute hostilities against Israel without delay. The Libyan delegation to the Conference of Arab Ministers of Foreign Affairs held in Tunis on 22-23 May renewed the appeals. Furthermore, several prominent Libyan officials recognized, in statements published by the Kuwait press: AL-KHALIJ (5 May) and AL-QABAS (6 May), that their country was supplying ground-to-air missiles and other sophisticated equipment to the Lebanese "progressive" movement and to Palestinian organizations operating in Lebanon. The leader of the Nasserian group of the Lebanese Murabituns was invited to Libya in April. The tightening of the bonds with the PLO resulted in three consecutive visits by Yasir 'Arafat to Tripoli within a matter of a few weeks.

Libyan Oil on Lebanese Fire

Libyan intervention can be found at all stages of the Lebanese crisis for the past decade.

This crisis has developed as the PLO's hold over Lebanon has widened and as its attempt to exercise de facto power has become more apparent. Libya has taken advantage of Lebanon's powerlessness to meet the invasion, when a number of Christian leaders asked Syria in 1976 to undertake military operations to rid them of the Palestinian presence. It will be remembered that Camille Sham'un, then deputy prime minister and minister of foreign affairs, asked President Asad "to intensify Syrian action," since "there can be no dialogue before the elimination of the Palestinian armed presence in Lebanon."

However, in so doing, Lebanon brought two more foxes into the chicken coop to drive out one intruder, two foxes even more dangerous than the PLO: Syria and Libya.

Syria (which had already invaded Lebanon while acting on its own initiative) saw in its intervention an opportunity to achieve its historic ambition: the annexation of Lebanon. That is why, directing its attacks on the Palestinians, first of all, it would subsequently change alliances, taking their side and that of the "progressives," whose objective coincided with that of Damascus: creating a subjugated, undemocratic Lebanon dominated by Muslims and relying on Syria.

As for Libya, it could only approve of the Syrian aims, whose consequence would be the elimination of the weak link which an independent Lebanon represented in the anti-Israeli alliance. Tripoli therefore made intense mediation efforts in order to reverse the tense relations that existed in 1976 between the PLO and Syria and to replace the moderate regime of President Frangie with a regime favorable to the "progressive" positions (the most intransigent), under the leadership of Elias Sarkis.

All the Libyan actions consisted of adding oil to the Lebanese fire -- that is, achieving a political rapprochement between the PLO and Damascus. In May 1976, the Libyan prime minister, Major Jalloud, undertook urgent action to neutralize the work of the "moderate" Arab states: Egypt, Saudi Arabia and Kuwait, which at the time were encouraging Syria to destroy the extremist Palestinian and Lebanese forces. At the same time, Libya was supplying large quantities of money and equipment to the Palestinian forces to enable them to resist Syria and through that resistance, find themselves in a good position to come to terms with that country.

In November 1976, while the Lebanese conflict seemed on the point of settling down, Tripoli went about stirring it up again.

Following an "arrangement" concluded with Israel through the United States, the Arab force of deterrence considered sending "moderate" contingents (made up of troops from the Emirates and Saudi Arabia) to the Israeli border. Libya then withdrew its own "green helmets," declaring that it "did not wish to exercise any form of deterrence, either with respect to the Lebanese or the Palestinians." This clearly meant that it did not want a pacified Lebanon, but only a Lebanon torn by the "progressives" and the PLO and usable in direct action against the Jewish state.

Successor to Nasser

The Libyan action in Lebanon fits into an overall strategy.

Qadhafi's political-military ambition is to become the Arab Castro, to make his country the Arab-African Cuba that would destabilize the eastern Mediterranean, Central and North Africa, the entire Muslim world as far as China. Qadhafi is determined to achieve his ends under Soviet protection.

Libya enjoys a privileged geographical situation, 1,600 kilometers of Mediterranean coast and enormous financial resources produced by oil. It is headed by a dictatorial team fanatically attached to the idea of eliminating Western influence from the Arab world and Africa, in the name of a fundamentalist, expansionist Islam.

The first phase in the realization of the Libyan grand design would be Arab unity, which Qadhafi wants to bring about in his own behalf through the armed struggle against "imperialism" and the elimination of the "reactionary" Arab regimes -- that is, those which maintain normal relations with the West and which are called the "lackeys of imperialism": Saudi Arabia, the Emirates, Oman, Yemen, Jordan, Morocco and Tunisia. Qadhafi considers himself as Nasser's heir, for he has the same ambition, and is naturally in conflict with the other candidates for leadership of the Arab world: Egypt, Iraq and Saudi Arabia.

Libya is spreading a revolutionary message: "Islamic socialism," for which the existence of Israel, for example, could not be tolerated under any circumstances. It is therefore opposed to the European move started by the Venice declaration and to Brezhnev's proposal, aimed at the calling of an international conference with the participation of all parties to the conflict. These anti-Israeli attitudes seem much too moderate. Libya has repeatedly made it officially known that in its opinion, the only future for the Israelis consists of being deported to their native countries, a formulation which even the PLO, which naturally wants the same thing, hesitates to use in its statements of position sent to the West. Even before the Iraqi dictator Saddam Hussein had embarked upon the task of acquiring the atom bomb, for the obvious intention of using it against Israel, Qadhafi sought to finance the absolute weapon, without the slightest concealment of his purpose.

Libya supports all Arab movements of opposition and subversion politically, militarily and financially, which has led to its isolation and the breaking of diplomatic relations with several Arab countries: with Egypt, because of its peace treaty with Israel; with Sudan, because of the subversion organized by Libya in that country; and with Oman and Somalia, because of their support for Egypt's peace policy and their acceptance of the principle of Western military bases within their territory; with Morocco, because of Libyan aid to the POLISARIO and Tripoli's recognition of the Saharan Republic; and with Saudi Arabia, because of its ties with the United States and because the Ryad regime would not properly guard the Holy Places. Qadhafi has even gone so far as to call Muslims to a holy war to free the Holy Places of Saudi Arabia, profaned, in his opinion, by the presence of "impure" AWACS aircraft!

As for relations between Libya and those Arab countries that continue to maintain diplomatic relations with it, they are intermittent and irregular, to say the least. Tunisia provides a good example. Relations are also tense with Jordan because of King Hussein's refusal to allow PLO terrorists to operate against Israel out of his territory. Libya's extremist policies have even caused friction in the Firmness Front camp, where one could have expected to see it unreservedly approved. Finally, relations with Algeria have cooled since Chad's occupation by Libya and its intervention in the conflict in the Sahara.

This policy of destabilizing Arab countries is extended to Africa, to Islamized countries or those that would be candidates for Islamization.

Libya considers it has a natural right to intervene "to defend African interests" and "to work for the unity of Africa." In an interview with the Lebanese daily AL-ANWAR (9 September 1973), Qadhafi even expressed his conviction that destiny had bestowed on him the responsibility for Islamizing Europe and all of Africa.

On 23 October of that same year, he told *LE MONDE* that his mission was universal. Guided by this ideology, Libya has systematically tried to diminish or eliminate Western influence from those African countries where it is still exercised. It has given priority to the Sahara and West Africa, but does not hesitate to intervene in the more distant countries as well, for it believes it can fill the vacuum left by the elimination of Western influence.

Libya aims to build a zone of influence around itself made up of neighboring countries (such as Chad, Niger, Mali, the Central African Republic and Mauritania) that are politically unstable. It wants to unify them in a Muslim Arab state that would also include the Sahara and Senegal. Exploiting their weakness and granting them financial and military aid accompanied by conditions that sometimes resemble blackmail, Libya also uses the religious power of Islam, the religion of the majority or a large minority of those countries' populations. Finally, while dealing with the existing regimes, it maintains systematic relations with opposition elements.

As a result, with a population of 2.25 million inhabitants, Libya has achieved a position in Africa out of all proportion with its true power. On that Black continent, its financial wealth often enables it to act as an authentically great power.

The effectiveness of this new "cavalry of St. Georges" was attested to at the meeting of the OAU summit conference in Nairobi in July 1981. Libya pretended to reconcile with Morocco and "by spending millions of dollars," according to Sudanese President Nimeiri, succeeded in preventing passage of a resolution condemning its intervention in Chad. Above all, it managed to have the OAU plan its next meeting in Tripoli, a decision making Colonel Qadhafi acting president of the Organization of African Unity for a year.

This was a spectacular success. The African states put the very person who wants to destroy them at the head of their organization! This very logic has led to the acceptance of the PLO as an observer in the International Civil Aviation Organization, undoubtedly in order to enable it to better penetrate the secrecy of measures aimed at preventing highjackings! It is as if the Mafia had its headquarters in Interpol!

Soviet Aircraft Carrier in Mediterranean

The interests of the USSR are obviously served by Libyan ambitions and the decline of the West. This explains why Moscow has transformed this desert country, underpopulated and with no technology, into an immense arsenal of ultrasophisticated weapons. Actually, Libya is strictly incapable of absorbing anything but a fraction of them and "now serves as a Soviet aircraft carrier anchored in the heart of the Arab world and Africa," as Thierry Desjardins writes. But we shall see how several Western powers are vying -- either unwittingly or as the result of suicidal impulses -- with the USSR to contribute to the rearming of Libya.

By virtue of its weight alone, the Soviet weapons base in Libya does constitute a threat and a factor of destabilization. It is the third largest in the world after the USSR itself and the Warsaw Pact countries. Its maintenance is ensured by 2,000 Soviet advisers and technicians and by Cuban, East German and Yugoslav

military personnel. At the end of April 1981, the USSR and Libya signed an agreement on Soviet participation in the operation of an atomic research center and the development of an 800,000-kilowatt nuclear power plant.

Libya has in fact become a relay station in the case of direct or indirect intervention by the Soviet Union in Africa and the Middle East. The USSR demonstrated this at the time of the establishment of an airlift to Ethiopia in 1977. One can even describe the Libyan interventions, particularly in Chad and Lebanon, as indirect interventions by the USSR, which the overall Western strategy -- insofar as one exists -- is mistaken in not identifying for what they really are.

The very political-military technique of the Libyan interventions is inspired by the Soviet model: promoting its own interests by exploiting local conflicts. The Gafsa affair (abortive attack on a Tunisian city located in the Berber region, which is traditionally opposed to the government in Tunis, at a time when inflation, unemployment and the action of the trade unions and radical Islam had weakened the central authority) corresponds to this pattern. Interventions in Chad (where the Islamic North is pitted against the Christian South) and in Lebanon also illustrate this. Even the support granted by Libya to the PLO consists of encouraging factional oppositions: those of Ahmad Jibril, George Habash and Nayif Hawatimah against the Fatah Yasir 'Arafat, not because he would be more "moderate" on Israel -- he is not at all -- but because the former profess a revolutionary ideology directed against the "reactionary" Arab nations and Western "imperialism."

Libya thus plays a key role in the Soviet arrangement.

Soviet penetration in Africa follows a peripheral line of coastal nations on the edge of strategic maritime passageways: Ethiopia and South Yemen on the Red Sea, Iraq on the Persian Gulf, the islands of Socotra and Mozambique in the Indian Ocean, Angola on the western coast. As we can see, the USSR is in the process of encircling the African Continent. As for Libya, it offers its Soviet tutors a marvelous maritime facade on the Mediterranean Coast.

The USSR began to strengthen its ties with Tripoli after it lost its influence in Egypt in 1974. It has since supported all the African adventures of the Libyan dictator unconditionally. Did an editorial in the 13 January 1981 PRAVDA not warmly support Chad's annexation? In return, Qadhafi serves Soviet interests by working to weaken Western influence and by organizing the subversion of moderate regimes.

Finally, Libya serves as a relay for the support which the USSR grants to terrorist movements that work to destroy liberal regimes in the great Western democracies: the IRA, the Basque autonomists, the Red Brigades in Italy, the Japanese Red Army, the Baader-Meinhoff Gang, the PLO, and so on. Qadhafi has even opened up some 20 bases and training camps for terrorists of all nationalities. Finally, it should be pointed out that the diplomatic immunity which the Tripoli government generously grants to a number of these professional killers permits them to carry out their deeds with complete impunity.

Western Arms To Destroy the West

Are the countries of the free world aware of the danger that Libya represents for their interests and their Third World allies? At the beginning of June 1981, the American State Department announced that the United States was going to grant

military aid to several countries that wanted "to fight Libyan adventurism," particularly Tunisia, the Sudan and Egypt. During the Lebanese crisis, Assistant Secretary of State Chester Crocker denounced Libya, which, "instead of trying to contribute to a reasonable solution of the tragedy of which Lebanon is the theater, has delivered sophisticated weapons and sent personnel to Lebanon. While other Arab nations have come together and joined with us to find a peaceful solution, Libya's efforts have been visibly devoted to the opposite effect in Lebanon."

However, on the whole, the reaction of free world countries and France in particular has been completely inadequate. They thereby reaffirm Colonel Qadhafi's conviction that the Western countries are decadent and unable (lacking ideals and for economic reasons) to react to its moves with vigor. It would appear that to date, the events have brought no contradiction, for Libya, while attacking Western interests, has not ceased being one of the main suppliers of oil to several European countries and an excellent customer for their military industries. These nations therefore continue to work toward their own perdition by supplying weapons to the arm that will eliminate them from Africa and at a very time when Qadhafi orders the looting of the French Embassy in Tripoli and, in the capitals of old Europe, has Libyan political refugees that sought asylum there assassinated.

Tripoli derives a double advantage from the exploitation of this weakness. For certain categories of military equipment, West Europe proposes more advanced techniques than the USSR. Furthermore, the diversification of its sources of supply reduces Libyan dependency vis-a-vis Moscow and permits the formation of favorable pressure groups in the Western world (as was seen in the United States with the "Billygate" affair). The West sells its influence and its own political interests too cheaply, asking only "a cup of oil" or a "few more Mirages," forgetting that it is Libya that needs to maintain high oil production in order to pay for its arms purchases and that the West is an irreplaceable buyer.

Recent contracts with Italy include 200 SF-260 planes for surveillance and training, built by Siai-Marchetti; CH-47 helicopters, mainly used in Chad; and 20 G-222 transport planes, the largest contract ever concluded by the Italian aeronautics industry. In addition, Italy is building six warships for Libya and is training a number of Libyan officers in its military schools. One edifying detail: The Italians did not even take offense when they learned that 5 out of the 200 Leopoldino tanks (derived from the German Leopard) that the Libyans had bought from them were actually going to the USSR. Nor did NATO flinch upon learning that one of its most advanced pieces of equipment was going to the Red Army arsenal. What is more, the Italian Government deliberately chose to ignore the reports of the SISDE, its own intelligence service, informing it that Qadhafi planned to use Sicily as its base for agitation in Italy.

Numerous types of American military and semi-military equipment are regularly supplied to Libya, despite the official embargo, through intermediaries or figure-head countries. Lockheed sold it 100 L-100 transport planes, the civilian version of the Hercules, capable of transporting troops and equipment. The 400 trucks sold by the Oshkosh Corporation of Wisconsin to the Libyan Ministry of Agriculture were turned into tank transporters by French mechanics, who put them together with semi-trailers of the Lohr model. This "agricultural" equipment was used to transport tanks to the fortified line on the Egyptian border. Another 1,500 civilian jeeps bought from the American Motors Corporation were converted for military purposes.

The United States knows this but pretends to ignore it. Likewise, does it not know that Libya helps the revolutionary movements in El Salvador? That it endangers American military positions in the Philippines, where it is encouraging the Muslim rebels? And that it is aiding the guerrillas in Oman and Somalia (whose governments have agreed to turn over to America the bases enabling them to improve surveillance activities on the Red Sea)?

France also shuts its eyes. It accepted an order for 38 Mirage F-1's (plus an option on 50), in addition to the 110 Mirage 5-3's already supplied, and is negotiating the sale of 10 PR-72 missile-launching ships, Transall transport planes and Automat sea-to-sea missiles. According to the Lebanese newspaper AL ASSR (10 October 1980), a French expert is reportedly working in Libya to plan the construction of three Soviet underground bases! In July 1981, the government of President Mitterrand, which had hinted that it would do the opposite, lifted the embargo on arms to Libya.

And yet, neither the Elysee Palace nor the Quai d'Orsay is unaware that the Libyan pilots and engineers of Super-Frelon being trained in France will eventually be used to attack the French presence in Djibouti, where a large military base is located, a base whose elimination is one of Qadhafi's objectives (as it is for Corsica and Reunion, whose secessionist movements he supports).

West Germany (one of whose companies is building a missile launcher in Libya), Sweden (which supplies electronic and radar equipment used by 50 suicide boats and is training 400 technicians for the future Libyan nuclear strike force), Belgium (which supplies mines and grenades), Spain (which is negotiating the sale of four Daphne submarines), Brazil (whose weapons, particularly armored cars, have been used in Chad) and Turkey (which supplies warships) are in the same case.

With an astounding obliviousness, these members of the free world are putting arms into the hand of an aggressor who will aim them back at them and their closest allies.

Fourth Israeli-Arab War?

Consequently, Lebanon represents only one of the many elements in Tripoli's overall strategy: a hotbed of crisis, permitting diversified exploitation, particularly: strengthening of the Libyan hold over Lebanese "progressive" organizations and the PLO through local encouragement for their intransigence; and strengthening of the position of Syria, which is facing Israel in its own missile crisis -- that is, an initial step toward a future Syrian-Libyan union.

It is true that the military posture for which Libya has opted in Lebanon (confrontation with Israel) could not remain one-way. In the eyes of Israel, there is no inviolable sanctuary, any border open to the fedayeen, to the firing of Katyushkas in one direction, without the Israeli Army crossing in the other direction.

As the military correspondent for one Tel-Aviv daily, LE JOURNAL D'ISRAEL, wrote (5 June 1981): "With its direct intervention in the conflict in Lebanon, Libya has taken a position as a declared enemy of Israel and therefore authorizes it, even according to international law, to take reprisals against it. The right to reprisals is a recognized right of every belligerent and Israel has the right, if attacked, to respond in the way and at the time it chooses."

But in fact, that is perhaps what Qadhafi is seeking: the opening up of a new Israeli-Arab front in a conflict on as large a scale as possible, either in Lebanon itself or, in the case of reprisals, within Libyan territory. The publicity he has given to his nuclear projects, his inflammatory statements on the need to destroy Israel and expel the Israeli Jews to their native country, are designed to make matters worse.

According to Libyan calculations, a new generalized conflict would lead to an intervention -- diplomatic, at least -- by the great powers, particularly the USSR, and would bring about a "redistribution of the cards" -- in other words, abandonment of the peace process begun at Camp David, which Libya is trying to abort. Qadhafi, who has not ceased to preach and foster war against Israel, by money and arms, perhaps sees in the Lebanese conflict an opportunity to begin its Israeli-Libyan war.

Will the Soviet Union, which once prevented Libya from cross swords with Egypt -- for that conflict would have been, from the Kremlin's standpoint, an untimely war, waged under poor conditions -- still try to avoid such a conflagration in the future?

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PANEL DISCUSSES SCOPE FOR PALESTINIAN ACTION UNDER OCCUPATION

Beirut AL-SAFIR in Arabic 6, 10 Oct 81

[Article by George Nasif]

[6 Oct 81 p 11]

[Text] In its September issue, the publication SHU'UN PALASTINIYAH carried the proceedings of the first part of a symposium held at the Center for Palestine Research. Taking part in it were Majid Abu Sharar, member of the Central Committee of FATH; Abu 'Ali Mustafa, deputy secretary general of the Popular Front for the Liberation of Palestine; Yasir 'Abd Rabbuh, deputy secretary general of the Democratic Front for the Liberation of Palestine; Muhammad Khalifah, al-Sa'iqa's representative in the Executive Committee of the Palestine Liberation Organization; and 'Arabi 'Awwad, the man responsible for the Palestinian communist organization in Lebanon. The symposium dealt with various "issues of the national struggle on the West Bank and in the Gaza Strip."

AL-SAFIR, which published the proceedings of the first part of the symposium when it was held, is publishing the proceedings of the second and latter part with the appearance of the new (October) issue of SHU'UN PALASTINIYAH.

Here is the first instalment:

Bilal al-Hasan: It is clear that trade union activity is experiencing a revival in the occupied areas. How can we appraise the reasons for that, and what are the effects of this revival on political action against the occupation?

Abu 'Ali Mustafa: There is no doubt that everyone agrees with the first part of the question, which revolves about the role of trade union activity within the occupied territories and the revival that it is going through.

It is natural that there should be an evolution of union activity linked with the development that has occurred in the context of the growing concentration of the Palestinian working class in the occupied territories, especially with the migration to the land that has occurred in recent years and the activity in industrial institutions and installations.

This is one of the reasons for the development in trade union activity that has occurred. There is another reason, which is the policy of relative liberal democracy the enemy grants in the field of union activity; this has provided an opportunity to launch mass union mobilization activity, making the subject of the internal role of unions an important combative one and a means for mobilizing broad mass forces within the occupied territories, with the significance that that entails for supporting that union leadership role and expanding the framework for their absorption of the working class. I lay stress on the issue of expanding the framework for their absorption of the working class, in the light of real problems that unions have suffered from in the occupied territories, especially since the process of coordination stops at specific limits in some unions as a result of narrow objective class considerations. More serious than that, however, is the fact that six unions still are locked up in their old format in the Gaza Strip under the leadership of Durabayh, who is still recognized abroad as these unions' representative, at a time when he has called for incorporation into the Histadrut. What is happening is that these unions are being walled off and closed up as if they were the private property of a Palestinian bourgeois in the Gaza Strip. This issue is more serious than that of the dispute that has arisen among nationalist forces on the issue of opening the doors to membership and absorbing other forces in the unions.

In addition to that, one must make joint efforts to consolidate laws. There are some old obstructive laws and some efforts being made by the enemy to impose renovated laws, which would reduce the effectiveness of these unions or federations. One must strive to bring existing relations among all nationalistic forces up to a level that would permit a serious discussion of the consolidation of the laws of various unions.

It is natural that the issue of opening the doors to membership should accompany that of opening the door to elections in these unions, with the resultant need to renew leadership rather than keeping it the preserve of leadership ranks that have been occupying their positions for years and are imposing restrictions on different forms of union activity.

While we have managed to achieve some progress in this context, we have moved on to take an advanced step which is represented by the formation of committees in the general federation that will be responsible for people working in organizations and factories that existed in the 1948 areas so that we can enable our workers to avoid the real pressures that are aimed at making them join the Histadrut—especially in the Jerusalem area, where the enemy does not apply the formulas and the laws he applies on the bank and in the strip.

This can offer a prominent model for confronting all the pressures of occupation. It is represented by the nationalist union role that the Federation of Electric Company Workers and Employees has played. It has not played only a union role in the purely vocational sense, but also a political role connected to the issue of the takeover of the company and the effort to stifle it and drown it in debt. This model which the workers and employees of the Jerusalem Electric Company offered must become a model for our other labor institutions among all segments of our people in the occupied territories, so that we can be able to advance to a level representing the state I refer to as one of revival.

'Arabi 'Awwad: Among the conspicuous phenomena in the occupied territories is the expanded, developing trade union struggle, especially and primarily that of labor unions. This of course may be attributed basically to the expansion in the ranks of the working class, since the occupation is using the occupied territory on the West Bank and the Gaza Strip as a market for cheap labor and there are therefore large numbers of workers who are working in Israeli organizations, of whom a not inconsiderable portion were basically peasants, craftsmen or members of the petty bourgeoisie in the towns.

That may also be attributed to the deterioration in working class living conditions, whether the workers are working in Arab organizations or on Israeli ventures. The former category of worker suffers from a scandalously high cost of living, while the latter faces diverse forms of exploitation, starting with discrimination in the form of wages and going through discrimination in working hours and deprivation of all the facilities recognized in labor laws, such as insurance for old age, disability on the job, annual leave and so forth. Although more than 33 percent of these workers' salaries is deducted for these services, it is deposited in the Military Government Fund and the workers do not benefit from it.

As far as the workers go, these objective circumstances are what launched the union movement, which has grown in size and numbers and is no longer restricted to the unions that existed in the past, since many unions have been revived in Jerusalem, Hebron and other towns. In addition, the number of people belonging to the unions has increased and the unions have waged prominent struggles for their demands and political struggles. However, they are facing problems, especially as regards their scope for action in the Israeli organizations.

The occupation /authorities/ prohibit existing unions in the West Bank and the Gaza Strip from carrying out any union activity aimed at protecting the rights of workers working in Israeli organizations, on the pretext of security considerations. This is a serious obstacle, but work is underway to reduce it.

As regards the Arab organizations, these are suffering from a problem that results from the status of the owners of these institutions who place obstacles in the way of union activity on the excuse that the unions must work to support Arab /owned/ organizations and guarantee that they persevere in the face of occupation measures aimed at confining and stifling them. As a consequence, the owners of these organizations are working to cast the burdens of the policy of economic occupation on the shoulders of the workers. A prominent instance of that is what happened with the Jerusalem Electric Company workers. It is true that the workers' nationalist position is noteworthy, as Comrade Abu 'Ali pointed out, but they held a strike against the company to demand the realization of a group of union demands as well, and the truth, unfortunately, is that a negative position was taken vis-a-vis the union and the strike on the pretext that the company was a national one and that the workers, in their demands for increased wages and improved conditions, were delivering a blow against the company. However, at the end of the road, the organization owners were compelled to yield to the workers' demands. The fact is that owners of Arab organizations must find a language of mutual understanding with workers' unions so that they really can guarantee the perseverance and the survival of these organizations and at the same time provide a suitable life for workers in the face of the blatant inflation the masses in the occupied territories are suffering from.

The unions are bearing a tangible portion of the national struggle in the various forms of struggle against the occupation. The workers' unions play a prominent role in the national front and in the National Guidance Committee. There is a representative of the federation of unions in each. This role became prominent even in the municipality elections of 1976, when the federation of unions nominated two people to represent it on a number of municipal councils and they won the elections. Therefore, as a result of this national role the workers' unions are playing against the occupation, they met with a group of repressive measures; a number of their leaders were arrested, numerous leaders were banished also, and there are now some leaders under compulsory detention. In addition, there is the law that was passed last year, which stipulated the amendment of Article 83 of the military government's labor law, so that the government could intervene in the elections by cancelling the entries of representatives it was not satisfied with on security grounds. Consequently, the military government is trying to empty the union movement of nationalist forces fighting against the occupation, which requires that the unions confront and reject this measure.

As regards the vocational unions, while we are in the process of talking about union activity, these have a special combative role, which also arises from the hard circumstances with which professionals--doctors, engineers, lawyers and so forth--are faced, prompting a not negligible number of them to emigrate. This combative role has stood out in the grouping of professional unions. It is not a coincidence that the National Guidance Committee arose from a conference held in the professional union grouping headquarters in Jerusalem and that the secretary of the union grouping is at the same time the secretary of the National Guidance Committee. In this realm one must talk about the role of such other sectors as the students and university councils; they play a prominent part in the professional nationalist or trade union context. One must also pause to take stock of the situation of the teachers, who are faced with prohibition on the establishment of their own union. All this shows that the occupation /power/ is placing obstacles before union activity, especially when this action constitutes a challenge to it. For example, it permits the establishment of labor unions, on the excuse that they existed in the period of Jordanian rule on the bank, but they prevent the teachers from establishing their special union on grounds that the regime in Jordan did not allow them to form a union. This state of affairs is burdensome for the teachers and keeps them in circumstances of the utmost difficulty, prompting them, a few months ago, as you know, to declare a general strike for a month, demanding the establishment of a union and an increase in their salaries. However, the occupation /power/ rejected that categorically.

Yasir 'Abd Rabbuh: I do not want to go back to a number of the points to which the comrades who spoke before me have addressed themselves, but I do believe that the mission of an organization containing 150,000 Palestinian workers who make up the Palestinian working class in the occupied areas--of whom approximately 20 percent are working in industry--is the greatest and most prominent mission of the union struggle in the occupied areas.

To carry this task out, it is clear that the unions have enlarged their ranks in the past years and have progressed in their role of defending the workers' interests,

especially workers in Arab ventures. They have also enlarged their role in the national struggle. However, assimilating the new development which has occurred within the ranks of the Palestinian working class, in our estimation, raises a group of more urgent missions.

Foremost among these missions is the urgent effort to form new unions by reviving old ones or establishing branches for the ones that currently exist. The occupation, using the excuse of Jordanian law, prevents any unions which did not exist before the occupation from being established. This process is going on now, but it must develop further and further and lead to the expansion of the frameworks of the current unions and the revival of the old ones.

The second mission is to defend the interests of workers employed in Israeli ventures. Half of the workers, if not more, are still working in Israeli ventures, but the existing unions can support the cause of workers in the Israeli ventures in spite of Israeli law, especially since they are actually faced with a dual oppression which is plain to the eye--national repression and oppression and social repression and oppression.

The third mission is to unify the union movement in the West Bank and Gaza, since there cannot be two labor union movements for a single people in an area subject to a single occupation. In this context I can stress the need to revive the Gaza unions by ending the situation which existed in the previous years. No real elections have taken place in these unions, which are merely hollow structures headed by bureaucratic personnel, in past years because of collaboration between some of these personnel, and reactionary personnel, and the military government in Gaza.

The fourth mission is the issue of defending the workers' interests in Arab ventures and avoiding having them bear the economic burdens of the occupation policy alone. This issue has remained, and still remains an issue of dispute, even in the ranks of the Palestinian national movement in the occupied territories, with its various forces and tendencies.

In this context, this situation demands that the current union structures be improved. They, or some of them anyway, have fallen behind the current working class situation. For example, there cannot be a union by name of the 'Aliya Organization union containing all the workers belonging to various unions and work centers just because they are geographically located in one country. This development of labor union organization structures is a factor that is further inspiring the enrollment of more workers in the unions and also further encouraging the expansion of the base of the unions and their performance of their actual role of defending the workers' interests and representing them in the nationalist and economic senses.

Among the problems which must in reality be most earnestly dealt with is the issue of cooperation among the nationalist forces operating in the context of the unions, relying on the principle of proportionate representation among themselves so that their relations may be based on foundations of cooperation and integration rather than competition and conflict.

Naturally, here one must talk about the various mass organizations. The role of the women's movement, for instance, is developing. However, the problem in some

sections of the women's movement is that they are still espousing the method of action of women's philanthropic activity instead of orienting themselves toward the sector that is growing the most, that of the Palestinian women working in Arab organizations and Israeli ventures, in order to defend and represent these women in addition to the broad sector of housewives from the broad masses of women.

As regards the student movement, there now are, of course, recognized organizations in the universities and secondary schools. Unifying these organizations in a single student movement center in the context of the universities and other educational institutions--in the context of a student federation constituting an extension of the General Federation of Palestine Students in the occupied territories--is one of the missions that still lie on the shoulders of the student movement if it is to develop its role and unify its activities and its struggles in the various locations where it is concentrated and its groupings in the occupied areas.

As regards teachers and professionals, an important development has occurred which merits a reference: the establishment of teachers' committees and a general committee representing other teachers, in addition to professional unions, has been one of the conspicuous events in the context of the mass movement in the past 2 years.

There is also an issue which still is pending, and that is defense of the land. There were committees that were established and worked to cope with settlement activity on a specific occasion, then stopped their activity. Committees to defend the land must absolutely not be restricted to the people of the village in question. Rather, representatives of the various national villages must participate in them, as has been the case on some occasions, so that the issue of the land in a given village can be turned into a general national one and there can be a kind of continuity and consistency in the activity of the committees to defend the land.

In summing up, I would like to say that the horizons are open for developing the activity of mass movement in the occupied areas so that that may be organized; the momentum of the broad masses in the occupied areas to be organized in mass organizations, including such other institutions as clubs, voluntary action committee and so forth, is truly unlimited. The masses, through their experience, have perceived that these organizations are their main weapon in coping with occupation schemes. The mass organizations have succeeded in realizing some victories against the occupation schemes in more than one field or location. This has been an important lesson for the mass movement and a basic factor in moving it to enroll in these frameworks; the more they are in harmony with this mass preparedness, and enable them to accommodate a broader framework of the mass base, the more it will be possible to realize the great, supreme goal, which is to unify the mass movement with its major base and develop its struggle in confronting the occupation for the sake of the independent state.

Muhammad Khalifah: I would like to add two observations. The first is that possibilities exist for arriving at the establishment of the national front through positive pursuits within the context of union activity. This can be done, as our brothers Yasir and Abu 'Ali have pointed out, by striving to get all nationalist detachments represented in all trade union fields and make the necessary expansion

in these unions. The second observation is that we must strive to support these unions through the joint Palestinian-Jordanian committee by allocating the necessary money for these unions' activity. This approach will mean an effort to construct the framework of national unity from the base. While we differ a little bit in command circles, let us work a little bit on behalf of unifying the bases. With this sort of activity as an objective, we will be helping move the cause of the national front forward because we will be preparing a firm base for it.

Majid Abu Sharar: I would like to see union activity in the occupied territories take the brilliant, encouraging form which our brothers are talking about, especially our brother Yasir, who asks that we exert every effort to keep up with the development that the union and labor movement is witnessing in the occupied territories.

To be truthful, I fail to observe such a positive picture, for a number of reasons:

First, the number of our industrial agricultural and trade workers in the occupied territories comes to 251,000, while the total number of people who belong to unions is just 20,000--that is, the equivalent of about 10 percent. This, in my opinion, is logical and natural, but we must say for the record that the unions represent just 10 percent of the bulk of Palestinian labor within the occupied territories; the discussion we have been hearing suggests that they represent 80 to 90 percent of it. Why did I say that this is natural? First, because the industrial sector in the occupied territories is in deterioration, faces intense opposition and barely exists. This influences the bulk of the working population and the resources and activities of the labor unions.

In addition, the agricultural sector is beleaguered, weak and unproductive. This also affects the bulk of the working population and prompts a very large number of agricultural workers to resort to working within the territories occupied in 1948, preventing them from joining agricultural or industrial unions. Another factor should be added, which is that the door to emigration and exile is open to our workers; we must realize that the number of Palestinians who migrated from the West Bank and the Gaza Strip since the Israeli occupation exceeds 450,000. The majority of these are workers, professionals and academicians. Just last year 20,000 workers and technicians migrated from the West Bank and the Gaza Strip.

A third reason lies in the disputes that exist among nationalist detachments, leaving very negative reflections on trade union activity.

A final point must be made: we have closed unions within the West Bank and the Gaza Strip, not just in the Gaza Strip--closed in the sense that they procrastinate in holding elections and procrastinate in accepting members, because the process of becoming a member is governed by the mentality of continued dominance over a given union, which helps weaken Palestinian union activity.

To that one should add a fourth cause, which is military government interference in the union laws. The most recent manifestation of such interference was the amendment of Article 38 of the law on the federation of labor unions demanding that names of candidates for union elections be submitted to the military governor

and that he give agreement to them. This inspired the unions to hesitate to hold electoral conferences, lest they be compelled to present their names to the military governor. This is one of the points at issue among our brothers in the Popular /Front/, our brothers in the Democratic /Front/ and our communist brothers. This group of causes prompts us to say--basing our statements on scientific facts--that the trade union situation in the occupied territories is in a weak and deteriorated state, not a situation of revival and development. However, this does not for one moment rule out the prominent trade union role which the groups of unions in the occupied territories is playing, especially the General Federation of Labor Unions on the West Bank, which contains 19 unions, to which one should add the engineers', doctors' and other unions, which are playing a very basic role.

We must pause to consider these issues because through this symposium we are aiming at laying a foundation stone along the road to action to reconstruct the situation in the occupied territories.

Bilal al-Hasan: Brother Majid, you have referred to closed unions; closed by whom?

Majid Abu Sharar: By everyone who can advance in a given union and dominate it. This is a very serious phenomenon which must be challenged.

Yasir 'Abd Rabbuh: It appears that our brother Majid did not hear my comments properly. Therefore he did not reply to the issues I raised. I emphasized the workers and trade union activity in its proper forms and said that a transformation had occurred in past years because even the 20,000 represent a substantial figure when compared with the situation which existed in the early seventies, when there were just a few hundred members, and these unions, in the best cases, were just vocational groups.

Majid Abu Sharar: They still are.

Yasir 'Abd Rabbuh: No; the actual situation says no. New unions have arisen with the revival of a broad number of former unions; this process is occurring continuously and on a broad scale. Amendments were made and bylaws were developed in a number of unions, in order to open the door to the broad bulk of the working population to organize itself in the unions. In the past, the conditions for joining certain unions were harsher than the conditions for joining political organizations. Some union structures were developed through the formation of branches, especially in villages which are no longer villages in the former conventional sense but have in fact turned into centers where there are hundreds of workers who travel every day to work in Israeli ventures. There a development has occurred, although I have not observed this development so much as I have observed the tasks that must be performed in the current circumstances in order that the existing unions really can accommodate the broad bulk of Palestinian workers in the occupied territories. Here I said, specifically, the development of existing union structures, that is, the solution to the problem of unions which have closed their doors to workers in order to perpetuate the dominance of their leadership by a bureaucratic group, in Gaza, for instance, and attendance to the problems of the workers in the areas occupied in 1948. The problems in this sector have continued to be dealt with by individual means rather than in a collective manner. I spoke about defending

the interests of workers in Arab ventures, through the approach which a number of comrades have mentioned, since the workers must not have to bear the burden of coping with the occupation and its economic policy by themselves.

Raising this kind of issue does not mean that it has been carried out--rather, it means considering it as a task of struggle, a task of action; we need a trade union movement that can keep abreast of the development that has taken place in the structure of the working class, in its weight, in the forms of its centralization and in the increasing volume of industrial workers in its ranks. That is not a small proportion; 20 percent of the working class as a whole consists of industrial workers. This is the problem. There certainly are numerous subjective problems, and we are all in agreement on those, including the problems of relations among nationalist forces domestically and their effect on the expansion of the ranks of these unions, or relations between unions and the federation of workers abroad.

These issues must be resolved within the context of the struggle, but the central issue is one of developing the union movement so that it can be in harmony with the development that has occurred in the condition of the working class. This process is proceeding in this direction. Our task is to pick up where the central link lies so that this link can be strengthened; that is the issue. To have conflicts and disputes, to have problems in a given union, to have problems in relations between unions domestically and unions abroad, all these are problems that exist, are present and must be dealt with; but they are not the main ones.

'Arabi 'Awwad: When one talks about activity and development in the union movement, that does not mean that the movement has come to comprise the predominant proportion of workers in its ranks, especially since a substantial number of them, in excess of 80,000, are working in Israeli ventures. This mission continues to lie on the labor unions, which must contribute their activity among these workers; perceptible development has actually occurred in their ranks in the past year, but when we compare the actual state of the union movement in 1967 with its situation today, we will indeed find a very great difference. First, there was basically no union federation and the number of unions was small. What happened is that the old unions remained, then a special federation for them was formed and split off from the Federation of Unions in Jordan, in spite of pressure from the regime to maintain relations with it and in spite of pressure from the Histadrut to assimilate Arab workers.

Let us turn to figures to observe this development: the labor union for the organizations in Ramallah, for instance, contained 250 workers in 1973 and 1974, and today contains 1,700 workers. Then the number of federation councils in all unions was about 50 in 1974 and it now totals 118. The number of affiliated unions at the beginning ranged from nine to 10, while it now comes to 27; this is one of the problem areas where Jordan is now trying to put pressure, because it is aimed at applying the incorporation law in the occupied territories which was applied in Amman. In Jordan, the number of unions was reduced so that the regime could manage to control them. Therefore the number of unions that now exists in the Federation of Labor Unions in Jordan is less than 20.

Therefore a development has occurred in recent years: this is an objective phenomenon which we must note.

In another area, there is an issue I can refer to from a negative standpoint, which is that of competition among national forces. I would like frankly to record that competition was a basic element in stimulating these forces. This is a positive aspect which must not be absent from our minds. It is true that it also has a negative aspect; we must put a limit on the disputes that have occurred and must stress concern for the unity of the union movement on the West Bank and cooperation among all nationalist forces within it in the context of national unity supported by the principle of proportionate representation. As for the problem Gaza is experiencing, I do not want to repeat the talk about that, because there is an unacceptable person heading the union there who does not just pursue bureaucratic measures but also is a burden on the workers because he is an employer.

There is, in actuality, an issue the comrades are talking about, which covers the relationship between the union movement abroad and the union movement domestically, including the workers' unions, the student movement and the teachers' movement. Up to now this movement has been going through its weakest state. What is to be done? What is to be done is for the effort to be made actually to support union movements domestically by regulating their relations with the movement abroad through coordination with the General Federation of Palestinian Workers in its capacity as the workers' sole representative. We must be politically concerned with this issue--that is, the representational character of the Palestinian mass organizations must include the organizations that exist in the occupied territories; however, there must be coordination. Delegations of the international union movement have been coming to the occupied territories, as happened lately; this provides us with support. A delegation came from the CGT and another one from American unions; this provoked the occupation /authorities/, who proceeded to put up obstacles and impediments. One can also organize delegations of domestic unions to go for example abroad to seek support for themselves, and the same thing goes for teachers. So far relations are still very tenuous.

Majid Abu Sharar: I have a final observation, to avoid having it appear that the discussion end up with two conflicting points of view. I believe that there is agreement, or a common denominator, between these two viewpoints, the basis of which is that a development of a specific size has occurred but the fact remains that there are deficiencies which we must struggle to transcend. Such issues as that of monopolizing power in some unions and closing them to membership, the issue of holding union conferences and electing new leaders, the issue of rescuing unions that have been taken over by the employers themselves, and the issue of the link between the domestic unions and the unions abroad are all issues that we must deal with frankly.

As for the issue of turning the unions into a framework in which all forces can be mobilized, that is an ambition we have not yet managed to reach. Even the unions that now exist elsewhere in the world do not mobilize all the workforce in any occupation. In Jordan for instance there are 16 unions that accommodate 80,000 workers, 46,000 of whom are drivers and mechanics.

[10 Oct 81 p 11]

[Text] In last September's issue, the publication SHU'UN FALASTINIYAH contained the proceedings of the first section of a symposium held at the Center for Palestine Studies in which Majid Abu Sharar, member of the Central Committee of the FATH movement, Abu 'Ali Mustafa, deputy secretary general of the Popular Front for the Liberation of Palestine, Yasir 'Abd Rabbuh, the deputy secretary general of the Democratic Front for the Liberation of Palestine, Muhammad Khalifah, al-Sa'iqah's representative in the Executive Committee of the Palestine Liberation Organization, and 'Arabi 'Awwad, in charge of the Palestinian communist organization in Lebanon, took part. The symposium dealt with the various "issues of the national struggle on the West Bank and the Gaza Strip."

AL-SAFIR, which published the proceedings of the first segment of the symposium when it was held, is, with the appearance of the new issue of SHU'UN FALASTINIYAH, October, publishing the proceedings of the second and final segment.

Herewith is the second instalment:

Bilal al-Hasan: We observe that many organizations have failed to contribute to the military action that has broken out internally. We also observe that some organizations are preoccupied with political action at the expense of military action. We also observe a major positive feature: some guerrilla cells are being formed spontaneously and are obtaining weapons by special means, then joining various organizations, according to their ideology. Doesn't that mean a general deficiency in the guerrilla organizations' ability to develop their military activity? Don't you observe that the techniques of domestic military action are suffering from deficiencies in innovation and diversification?

Yasir 'Abd Rabbuh: In order to avoid repeating the usual talk about the development of the armed struggle in the occupied areas, which holds it to be a major form of struggle, and the need to direct all powers, efforts and resources in this direction, I would like to refer to an important development in the situation, in the occupied territories, and its relationship to armed action. Armed action in the occupied territories has begun to evolve into a mass phenomenon. I say begun to evolve; it has not yet totally evolved. The initiatives that are made (one form of evaluating which is referred to by the question) open up the opportunity for military action in the occupied territories to make a quantum leap from its nature as individual action to action which broad masses of people embrace and take part in. This is the real prelude to armed action in the occupied areas. This does not mean that the development of current forms of armed action is not possible in the current circumstances, despite all the difficulties and obstacles. However, this development does require organizational forms that are more advanced and progressive than those which have previously been relied on by the detachments of the resistance.

It is not natural or reasonable for every military operation to result in detentions which are not restricted to the person or persons executing the operation but include everyone who has a connection with it.

In this context, there is a great deficiency in the forms and technology of military action, in its accuracy, its organization and devotion of major attention to accuracy, to avoid having successful military operations lead to letdowns in the mood of the masses.

Abu 'Ali Mustafa: If we pause to make a numerical review of a chart showing the scope of military operations in the occupied territories in the first 3 years and compare that with a chart on the last 5 years, we will find that there has been a drop in the scope of military operations, but this alone will not suffice as a measure of the degree to which military action has developed in a manner compatible with the level of political gains that the Palestinian revolution has attained in the Arab and international contexts if one looks deeply and carefully into the subject. In this regard we must refer to the significance of the objective factor in influencing the degree of military effectiveness; this factor is embodied in more than one influential cause.

The first cause is that the setback of the resistance in Jordan to a large degree affected the level of the military activities in terms of the number of direct combat confrontations with the forces of the Zionist enemy and in terms of the level of support for units, cells and organizations within the occupied territories across the long geographic border that had been available to the forces of the Palestinian revolution.

Another cause can be ascribed to the fact that we in the Palestinian revolution have been waging a war to defend the revolution in Lebanon for 6 years; however, that does not mean a reduction in the value of the mission, because defending the Palestinian revolution and its survival is also a strategic mission that we cannot forgo.

To all that one should add the barriers now well known, that obstruct the possibility for bringing to the occupied territories even the specific acts of a specific pattern in a period of time and suicidal acts of political significance that the Palestinian revolution had innovated.

However, we must observe the remark our comrade Yasir made regarding the start of the transformation from military action to mass action. In the face of the rising rate of military confrontations, and their increasing density and occurrence--in the Gaza Strip, for instance--we can observe that this military and political rate /of action/ has lacked the depth that was referred to, in the sense of being transformed into a comprehensive mass condition. For example, we in the Popular Front played our military part in a given period. Even our position in our latest conference before the military report, stating that we had carried out a successful experiment in the Gaza Strip and the Hebron hills, contained great appreciation of the military level, but it was lacking in organizational depth in the sense of the establishment of an organizational structure in which it could be encapsulated and which would constitute a reserve and support for its continuation and create a mass tide around it so that it would not be isolated or the masses' participation in it confined to the function of observers.

In the most recent period, the mass situation in the occupied territories suffered from disequilibrium in the sense that it was going through states of prosperity and decline, while military action was coloring the appearance of events.

However, what is happening now is roughly the opposite. The mass tide is now becoming more effective than military action, which is therefore occurring in relatively lesser form. In order for matters to be set right in a regular fashion it is necessary that political mass action be in balance with the requisite military effectiveness, because military effectiveness plays a role in strengthening the process of mobilization, planning and rallying the masses around the revolution.

In addition, military action, no matter how high a rate it may enjoy, in the absence of a mass extension reaping its political results and turning it into an open continuous battle with the enemy, becomes a risky act leading to the results that have been referred to--that is, military action at the level of the manpower structure of the organization, followed by a broad campaign of detentions and the imprisonment of dozens of staffs and members.

There is no doubt that the level of organizational structure, as far as the organizations go, is now better than before, but it must be in balance with a corresponding mass political effectiveness.

Majid Abu Sharar: I agree with our brother Abu 'Ali Mustafa that military action is noticeably failing to keep abreast of political action. I also agree with some of the observations that appeared in the working paper, especially as regards the fact that some Palestinian organizations have abstained from military action within the occupied territories. The fact is that there are Palestinian organizations, well known for many years, that are not interested in engaging in political or military activity in the occupied territories.

The issue of some organizations' preoccupation with activity--and let me say publicity activity, at the expense of military activity--is an unhealthy phenomenon which has existed since the Palestinian armed struggle was launched. There is no doubt that our experience with action in the occupied territories, especially in the military context, has grown, but, in exchange, the enemy's experience with drawing on further means for resisting the military and secret activity of the Palestinian resistance has grown in turn.

There are two types of military action in the occupied territories, overt military action (a patrol going up a hill with the knowledge of the people in the area) and secret military action. The experience of overt military action, as well as bothering the enemy, also plays a role in the daily political mobilization of the masses. The other side of military action is secret action which secret cells that lead normal, natural lives within the occupied territories carry out. The enemy has very active intelligence agencies involved in investigating all traces of all groups performing any activity, in the desire to detain them. This is an open battle between two sides. Another point which we must make is that we have made progress in secret military manufacturing, that is, the manufacture of explosives and their preparation for detonation.

Military action is one of the most common means for mobilizing the capabilities of the masses. Therefore we must pay attention to this point specifically. While we are able, in the context of unificationist activity, to realize a group of achievements on numerous levels, we are nonetheless still deficient in military unificationist activity on the level of military action in the occupied territory. I know that the reason for this may be attributed to the security issue, but that must not prevent the resistance detachments that have a serious interest in military activity in the occupied territory from establishing a joint operations office for the interior which will take charge of the following missions: first, gathering information, second, defining goals, third, choosing suitable weapons for operations, fourth, training, fifth, manufacturing explosives and other types of weapons and training in them, and sixth, coordinating on the level of the exchange of expertise internally in accordance with the requisite security conditions.

In my belief, if we can establish such an office we will be able to offer a real service to the fighting men carrying out secret military actions domestically.

'Arabi 'Awwad: It has become plain from past years' experience in resisting the occupation in the occupied territory that it is necessary to use forms of mass, political and military struggle. They all constitute tributaries that flow into a single current whose aim is to sweep out the occupation and cause our people's right to return, to determine their destiny and to establish an independent Palestinian state to triumph. Therefore none of these can be a substitute for another, or opposed to it; rather, they are interlinked and complementary. A rise in the level of political and mass struggle will create a suitable climate for military action, and armed resistance operations will inflame the spirit of enthusiasm among the masses and help promote the current of political and mass struggle.

However, it has been noticed, as a number of the people taking part in this symposium have remarked, that the level of the political and mass struggle in recent years has outstripped the military struggle. This may be attributed to a number of causes, among them the great difficulties that armed activity for the sake of securing peace and its proficient use face, in addition to the occupying parties' repressive measures against armed action, which are assuming a more intensely violent, fierce nature.

However, there is another important reason which is connected to the forms of organization and the high level of political and mass struggle which accompany expansion and development in political and mass organizations, their increased activity and effectiveness, and their role in mobilizing and rallying fighting capabilities among our masses and pushing them into battles of confrontation with the occupying parties. There have been gaps and deficiencies in the forms of organization that armed action relies on; these have enabled the occupying parties to deliver a number of blows against it, a matter which requires more accurate and intensely secret forms of organization.

There is no doubt that the intensified ferocity of the measures of the occupying parties, especially in the realm of settlement, the usurpation and judaization of land and the intensification of economic plunder and means of repression have all

created incentives for our masses to respond with violence, preparing the scope for expanding the context of armed action and a rise in the level of it, when it relies on a careful strong organization.

Six /sic/--Care for the Prisoners

Bilal al-Hasan: It has been observed that the issue of prisoners has not yet become a central one (each organization is concerned /only/ with its own prisoners).

It has been observed that some prisoners are complaining about the scant communication made with them while they are in prison. Generally just their families assume this task. It is also observed that when we raise the issue of prisoners on the international level that suffers from an obvious weakness. The SUNDAY TIMES report, for instance, served the cause of the prisoners much better than our own efforts did.

What are your observations on this issue? What are your recommendations to guarantee better attention to it?

Majid Abu Sharar: Prisoners, detention and arrest are among the everyday methods the enemy resorts to in order to confront our people's resistance to the occupation. The number of people who have gone into /Israeli/ occupation prisons since 1967 are at a minimum 200,000. The number of people now in captivity and detention is about 5,000.

There is no doubt that the prisoners suffer from a crisis of detention which is resolved only when they leave prison. This does not mean that we are not trying to alleviate the severity of detention on them. Although this problem is as old as the occupation, many segments of public opinion, Arab and international, are still very ignorant of our prisoners' sufferings. Perhaps this is an opportunity for us to talk in some detail about these sufferings.

If we refer back to the famous report published by the newspaper HA'ARETZ in 1979, we will find that Palestinian prisoners are living in the harshest of circumstances in the contexts of housing, food, health, culture, recreation, daily exercise and visits.

1. Housing. Palestinian prisoners sleep on the ground with four blankets, to which another blanket is added and a small pillow in the winter. After the first 'Asqalan strike in 1977, which lasted 85 days, the prisoners were given mattresses.

In addition, the area of the rooms is 16 square meters (4 meters by four) and 20 to 30 people sleep in them (two and a half tiles per prisoner). Latrines are located in the rooms and the doors are locked and made of sheet metal. There are two windows in the rooms, with metal shutters on the outside and iron bars in their midst, and they are covered by an iron screen from within. By contrast, six Jewish prisoners live in each room and they sleep on beds with sheets and blankets.

2. Food. The type of food, as set down on the bill of fare, contains an adequate number of calories but, in actual practice, the quantity is deficient because of thefts by the administration. A number of thefts have been apprehended in the

prisons of 'Asqalan, Gaza, Hebron and Nabulus. The type of food is terrible and is of the cheapest variety, and prisoners often get food whose ingredients they do not know. Jewish prisoners' food is of a good variety. They have a dining room, carry trays containing the food, and sit down at table, while the Palestinians are visited in their rooms by pots and the food is dished out to them in plastic bowls.

3. Health. There is a clinic in every prison and a doctor visits the prison twice a week, or sometimes once. Sometimes he does not appear. There is discrimination in treatment. The "troublemakers" (in the eyes of the administration) are deprived of medical care, or adequate care; this has resulted in many attacks of chronic diseases and the martyrdom of others (the number of people who have been martyred in prisons is 78). The most important chronic diseases are ulcers, hemorrhoids, diseases of the teeth and eye, and arthritis. Operations are done in periods. An operation /needed/ today might be determined to take place in years. The prison administrations use clinics to attempt to recruit prisoners to work with the administration, as a result of which, in the eyes of prisoners, they have become suspect areas, prompting many prisoners to put up with their ailments and fail to visit clinics.

4. Culture. The prison administration is now permitting books to be brought in. That was won as a right through strikes and mutinies. As one of the prisoners says, the price of every book is a kilowatt /sic/ of blood. The book passes through the censor first of all; since the basic task of censorship is to prevent the continuation of the process of the cultural and intellectual development of the fighting men who are prisoners, this process becomes a burden on them and leads to negative repercussions in the unity of national ranks within the prison, in the sense that religious people become fanatics and leftists resort to childish activities, engendering conflicts which lead to fragmentation in the unity of the fighting men, as happened, for instance, in the 'Asqalan prison. However, responsible prisoners, the intrinsic efforts of the most aware and cultured prisoners and long experience have made the enemy miss his chance, since everyone has regained an understanding of the conditions and the significance of the national liberation stage, which has created strong unity within the prisons.

In addition, the process of purchasing books takes place through the International Red Cross. Schools for language and scientific course instruction in the prisons were allowed by the administration, but then they reneged and prohibited them, especially Hebrew language instruction. However, there are secret schools in the rooms. In the context of the Jewish prisoners, there is a cultural officer in every prison who is assigned to bring all books the prisoners request and provide them with all newspapers, while our prisoners are supplied only with the newspaper AL-ANBA' (the newspaper of Israeli intelligence).

5. Recreation. There are no forms of recreation. Radios are prohibited, as are television sets and movies, the opposite of the case with Jewish prisoners. Palestinian prisoners are also prohibited from engaging in any kind of sports, while Jewish prisoners engage in them, have special sports clothing, and have the right to own any type of clothing--while our prisoners have /just/ two summer prison uniforms, two winter uniforms, and two changes of underwear, which is supposed to be blue throughout the year.

6. Daily exercise. The period of daily exercise for Palestinians incarcerated in public prisons is 2 hours and is in shifts. The period in solitary confinement is 1 hour, for each individual separately. Palestinians who have been sentenced are prohibited from leaving /prisons/ while the doors are open to Jewish prisoners from 0600 hours in the morning to 2030 hours in the evening.

7. Visits. Visits to Palestinian prisoners are allowed once a month but are permitted only for three relatives of each prisoner, for visits of half an hour only. Prisoners and their visitors are separated by iron screens which are too narrow for one's fingers, and it is not even possible for prisoners to kiss their small children. Visits take place in the presence of a guard and inspections are carried out before and after the visit. The actual period of visits is 20 minutes, while Jewish prisoners are visited twice a month, on top of special visits.

In the light of these facts, in accordance with the opinions of some brother prisoners who have been released, and also in accordance with the reports that have been received from prisons, I recommend the following:

A. Concentrating on raising these facts in the international context in an intensified, continuous fashion.

B. Working to prompt numerous international committees to visit prisons, alongside the Red Cross, in order to study the conditions of prisoners.

C. The Executive Committee of the Liberation Organization should allocate a sum adequate to cover the prisoners' needs through the International Red Cross or relatives of detainees.

D. Allocations to the families of detainees who have to make great expenses on their monthly visits should be increased; one should bear in mind that the major percentage of the families of prisoners are poor.

E. Palestinian Prisoner Week should be publicized on the broadest international scale.

F. Attention should be given to having Liberation Organization delegation members include brothers who were prisoners and have been released.

G. A unified tactical program should be applied for prisoners to establish national unity inside the prisons.

Here I must point out that this task does not just lie on the Palestinian Committee on Prisoners and Detainees--it is also the task of the political, media, and social action agencies in the organization.

Abu 'Ali Mustafa: The issue of the Palestinian revolution's prisoners in "neo-Nazi" prison camps must remain a central one for the leaders of the revolution, in view of the fighting symbols and advanced expression of the level of sacrifice these thousands of our people are offering every day.

In view of the importance of this great number, which has gained experience in the most advanced schools of combat (the prisons), and the role expected of these heroes, following their emergence, in supporting the course of the revolution and the development and advancement of their combative techniques and level, their current situation must involve redoubled efforts to protect them and organize continuing relations with them.

The interiors of detention camps and collective prisons constitute an advanced picture today of models of perseverance and challenge. In these prisons, the fighting men are acquiring knowledge supported by particular and general experience for themselves and their other comrades, and this is helping, and actually has helped, create numerous means and methods of combat in confronting the occupation.

In spite of the importance and central nature of the issue of the prisoners, the importance given it in the context of the Liberation Organization command is below the required level. The preponderant character, so far, is that each organization is interested in its own members who are prisoners or detainees, whereas there are numerous fighting men who are imprisoned but do not belong to any organizations and are facing real difficulties, most importantly social problems and living problems resulting from imprisonment over the short or long range, some of which are generally solved in partial fashion while there is no enthusiasm on the part of given organizations to bear the burden of solving them. This requires that a collective organization be provided to solve all the problems of all prisoners and detainees.

A development (which we fought for) occurred recently when the Organization to Care for the Families of Martyrs and Detainees was assigned to assume this responsibility and fill this gap. However, it is still deficient in rising fully to meet all its national responsibilities and become an organization for all fighting men, relinquishing the policy of discrimination. This imposes a responsible stand of overseeing the serious application of consolidated relations in this field on this organization.

Central attention to the issue of captives dictates the development and support of organizations concerned with this issue and support for their activity. At the outset one must devote attention to the Organization to Care for the Families of Martyrs and Detainees and committees to defend detainees, since there is a committee to defend detainees abroad whose activity is characterized more by a spirit formalism than programs to be carried out under the supervision and guidance of the Executive Committee.

In addition there are committees to defend the occupied homeland. There is more than one committee in more than one area, and it is necessary to support these for these resources and spread them about in the areas, and then form a unified central committee to organize the efforts and activities of the various committees and develop their resources.

Our prime responsibility demands emphasis on care for the families and relatives of prisoners and detainees, the guarantee of permanent bonds between them and the revolution, the performance of mandatory action to deepen combative bonds and

raise the morale of the fighting men in prisons and detention camps, and also the effort to develop a radio program to be beamed into the interior, in particular to detainees and prisoners, including the mandatory aspects of operations and remedies for problems facing the fighting men in the detention camps. Statements that are heard over the air and written words and visits by kith and kin in their totality comprise elements which basically strengthen the perseverance of the fighting men.

In another area, political victories and successful military operations realize objectives of great value for the fighting men, especially when some of these are aimed at the release of all or some of these men. This results in their acquiring a deeper faith in their revolution and its permanent attention to them.

In the same context, there is also an important element which we consider should be given attention, and this is embodied in the organization of tactical political and media support campaigns in all Arab and international fields in order to keep their cause permanently alive and give prominence to those aspects of it which are most humanitarian (examples are martyrdom during investigation and under torture, death as a result of neglect or deliberate action in failing to provide medical treatment, and continued detention on arrest without trial for long periods, as happened in the case of the fighting man 'Ali 'Awad al-Jamal, who has been administratively detained since 1975 and whose detention has been renewed for 6 years).

Ultimately, the fact remains that all the efforts exerted will remain without results in terms of the sacrifices made as long as all our fighting men are still in the enemy's prisons and places of detention. Loyalty to them is our minimum duty.

Yasir 'Abd Rabbuh: It is true that there are as yet no central unified bodies to look after prisoners' affairs, defend their cause internationally, care for their families and contribute to the solution of all problems that arise in their relations in prison. This does not mean that various organizations and bodies inside and outside the occupied homeland have not played a part in given fields to defend families and bolster their perseverance, in the manner of the national committee plan which was formed internally, the Organization of the Families of Martyrs abroad, or the Committee to Defend Detainees. In recent years, the issue of the detainees and the bad conditions they are suffering from, especially following the glorious strikes they held in prison, has drawn an international interest which is constantly expanding. However, the followup on this attention continues to be deficient and seasonal. It has been confined to some international symposia, although far broader resources are available. The issue of captives and detainees, who for the most part are the most prominent fighting staffs in the ranks of our people and our revolution, or people who are turning prison, for themselves, into a school to refine their fighting experience and develop their level of consciousness, demands, in our estimation, broader attention in the following directions:

First, development of the international campaign to present the prisoners' issues, the circumstances of prisons and administrative detainees who are subject to permanent detention in accordance with the most oppressive laws in the world, an effort to turn Palestinian Prisoner Day into an international day, and formation of international committees whose role will be restricted to underlining legal, humane and political aspects. Committees of that type might include individuals and bodies of numerous tendencies.

Second, unification of the bodies abroad responsible for looking after prisoners' affairs materially, socially and politically, coordinating their activity with the national committee domestically, and setting forth consolidated statutes which will include all prisoners and detainees, regardless of their affiliation--even prisoners who do not belong to a given detachment, since there is a certain number of detainees of that type.

Third, coordination of the political guidance of prisoners of various affiliations. In the past, prisons witnessed struggles and friction as a result of intellectual or political differences. This was unfortunate and showed, in some cases, that the Zionist prison administration was not above pitting a limited number of more backward, less conscious elements against their comrades who held progressive political ideas and positions. This blow against the unity of the Palestinian detainees was always one of the goals of the enemy authorities, after this unity, on numerous occasions, had turned into a wall against the measures and the oppression of the prison authorities, compelling them to respond to some of the detainees' demands to improve their circumstances inside prisons.

In spite of these shortcomings, Palestinian prisoners have always, in the absolute majority, been a cohesive unit, and harsh prison conditions have not prevented them from performing diverse political and cultural activities or prevented a substantial number of them from following up on their education up to the university level. There is no national occasion when prisons do not turn into giant mass demonstrations, and the publications and magazines the prisoners write, in which they conduct intellectual and cultural discourse, are transmitted by hand in spite of the dungeons and the prisons' remoteness from one another. No prisoner who has left the detention camp has failed to amaze anyone who met him with the level of advanced intellectual and political consciousness he attained in the school of combat in which he spent the innocent years of his life.

'Arabi 'Awwad: In the 14 years of Israeli occupation, about 250,000 Palestinians have entered the Israeli prisons--that is, one out of every five citizens of the West Bank and the Gaza Strip. More than 4,000 prisoners and detainees, hundreds of whom have spent more than 10 years in prison are languishing in these prisons in permanent form. They confront circumstances of the utmost severity, since they are exposed to barbaric torture in attempts to extract information from them, terrorize them and destroy their morale. They are crammed into packed dungeons; 22 prisoners are put in rooms prepared for prisoners and they live under deteriorated health conditions because of the diseases that have become widespread among them, loss of blood, ulcers, hemorrhoids, nervous disorders and so forth. In addition, there are wounded people whose wounds have mended but have become threatened with the loss of limbs or total paralysis; as a result of torture or negligent sanitation, more than 60 Palestinian fighting men have been martyred in prison. In a strike some of them held in 1980, three fighting men were martyred by the process of forced feeding; the female lawyer Langer has demanded an investigation into the cause of death.

Our national masses, forces and institutions on the occupied territory have stood alongside the fighting detainees and prisoners and have organized forms of solidarity among themselves. The week of 17-25 April of each year has become a week

of solidarity with Palestinian prisoners and the detainees themselves have waged different sorts of struggles within their prisons to improve the conditions of their imprisonment and put a stop to aggressions against them and their treatment as prisoners of war. In the international context, attention to Palestinian prisoners and detainees has increased and the report printed by the SUNDAY TIMES in June 1977, and later the investigation by the Washington POST, managed to tear down the wall of silence that had been erected around the subject of the Palestinian prisoners in European public opinion. The newspapers highlighted the incidents of brutal torture that occur in programmed fashion against Palestinians, and the Committee to Defend the Prisoners and Detainees has carried out extensive efforts to expose racist Israeli practices against detained fighting men. Through its conferences and its formation of a number of committees in European capitals, this committee has managed to generate broad interest in the prisoners' and detainees' issues as a humane political issue connected to the totality of the Palestinian struggle for our people's just national rights. The committee has continuously striven to form an international committee containing specific personalities from various countries of the world, has striven to send medical and legal committees to investigate the condition of detainees in the Israeli prisons, and has worked to reduce their sufferings and obtain the release of those who are ill or have spent long years in prison in circumstances of the utmost severity. The Organization to Care for the Families of Martyrs and Prisoners has assumed the task of looking after all detainees and their families, but the detainees and prisoners are still in need of more serious care, on the media level or on the level of the support offered them in their prisons, through the International Red Cross, or for their families, especially since hundreds of them had their homes destroyed in revenge and their source of livelihood cut off. The detainees' letters to the National Council reveals, as well as a high morale, the extent to which detainees are suffering because they feel that their cause does not enjoy enough concern on the part of their leaders and organization.

11887
CSO: 4404/117

REPORT ON INTEGRATION OF EGYPTIAN, SUDANESE LEGAL SYSTEMS

Khartoum AL-AYYAM in Arabic 24 Sep 81 p 1

[Article: "Report of the Joint Meeting of the Sudanese and Egyptian People's Assemblies About Integration of Legislation Between the Two Countries"]

[Text] It was reported from Cairo that the Egyptian People's Assembly had prepared a report about actions to achieve integration between Sudan and Egypt in the field of legislation and legal affairs. There will be discussions of this report at the joint meeting of the People's Assemblies to be held in Cairo.

The report states that the joint technical committee is currently conducting continuous studies concerning laws governing the organizations and bodies pertaining to integration between the two countries. The report indicated that a study was also being conducted to formulate a unified law to encompass the regulations relating to the organizations and systems of integration, in order to codify the concept of the integration program. This would encompass integration activities considered compulsory and would give the People's Assembly in the Nile Valley the right to supervise the executive bodies and hold them accountable, since the two assemblies would have the right to propose legislation in Sudan and Egypt pertaining to integration between them, to systematize the integration, and to consider draft laws, decrees for laws and proposals relating to economic, cultural, political and social integration. The report says that in accordance with that law, which is under study, the Nile Valley People's Assembly would work to adopt joint plans and budget for integration between the two nations. Domestic investment and development projects are also in the plan.

The report, prepared by the People's Assembly, pointed out that this unified law pertaining to legislation and control would ensure to the Nile Valley People's Assembly the right to supervise the executive organizations' performance with respect to integration and to determine its sphere, since it would subject the ministry organizations responsible for implementing the integration budget to direct supervision and continuous control by the People's Assemblies in Sudan and Egypt.

The report referred to the fact that the joint technical committee had advised the creation of a committee for integration within the committees of each assembly to deal with all documents connected with integration and to organize the regulations for the two assemblies, and to create an integration committee in each assembly.

With respect to setting the general principles for principal legislation in the two countries, the report stressed that the Egyptian side had submitted studies in this regard, aimed at laying sound foundations for unification of the legislature structure. It also stressed the necessity of continuing these studies in light of other studies presented by the Sudanese side aimed at shaping the legal situation in both countries regarding the fields of trade, movement of personnel and labor, and customs, in order to connect them with the goals of integration.

As for applying the provisions of the Islamic Shari'ah, the report stated that the joint technical committee believed it necessary to hold joint meetings between members of the legislative committee in each assembly, provided that non-Muslims be represented at those meetings, to search for common meeting grounds and to bring points of view closer together, since everyone should meet regarding this question that is vital to both countries.

The People's Assembly report makes it clear, in regard to integration accomplishments in the field of legislation and control, that the joint technical committee has advised using the draft that the Egyptian side submitted to the Sudanese side, concerning the unified law for personal status and its promulgation in both countries, along with observing the exceptions made thereto, at the request of the Sudanese side.

7005
CSO: 4504/34

KUWAITI MEDIATION EFFORTS IN YEMEN DISPUTE CITED

London 8 DAYS in English No 48, 5 Dec 81 p 2

[Text] NORTH YEMEN'S damaging four-year civil war has been halted by a ceasefire, Arab sources say. But they stress that the latest agreement between the government side and rebels led by the National Democratic Front (NDF) shows as yet no signs that it will last any longer than its half-dozen predecessors.

The ceasefire agreement was made, the sources say, when the presidents of North and South Yemen visited Kuwait on 23 November. South Yemen's President Ali Nasser Mohammed is said to have close links with NDF leaders, some of whose supply lines originate on his side of the mountainous border between the two states. There was some speculation, too, the NDF representatives might have been included in President Mohammed's delegation to Kuwait.

Mohammed and his North Yemeni counterpart, Ali Abdullah Saleh, and simultaneously made a previous trip to Kuwait only ten weeks before their 23 November visit, but it is understood that both felt there was no possibility of agreement ... that time.

News of the latest agreement comes hard on the heels of previous reports that NDF activity had greatly increased throughout many regions of strategic North Yemen. There is, therefore, a feeling that the government had become eager to gain a breathing-space, in which to re-group its armed forces, which nominally total 32,100 men. The NDF might, meanwhile, be hoping to re-group in readiness for a more concerted attack on the cities which are the government's remaining centres of power.

Developments in the tribe-dominated republic, which suffered a protracted civil war from 1962-1969, will be watched closely in neighbouring Saudi Arabia, as well as in South Yemen. The Saudis have

expressed fears over Soviet influence in South Yemen for more than a decade, and are now determined to prevent these influences from filtering up to North Yemen through the NDF. North Yemen is the most highly populated of the regions bordering Saudi Arabia and is its most generous supplier of immigrant manpower.

Saudi Arabia has thus exerted considerable pressure on the North Yemeni president to prevent any political solution to his country's woes which might involve some extent of power-sharing with the NDF. (The NDF has, meanwhile, been equally adamant that it cannot lay down its arms until it achieves just this.) Saudi relations with Saleh's government have, however, been at a pretty low ebb since the beginning of the year, so there remains a chance that he might opt for an internal political solution with the NDF even against Saudi wishes.

Kuwait is far enough removed from the passions of the Yemeni mountains to have acted on several occasions in the past, as a mediator between the two Yemeni Republics. After a brief border war in 1979, Kuwaiti Emir Sheikh Jaber al Ahmed al Sabah helped them reach an agreement that even made reference to the long cherished Yemeni dream of the reunification of their historic fatherland.

That agreement soon became a dead letter. But Kuwait still has an interest in striving for peace in the southern half of the Arabian peninsula: many Kuwaiti planners feel that serious conflicts in that region could damage not only its own strategically important waterways, but also developments in the oil states further north. The Kuwaitis have also played a mediating role between South Yemen and its pro-western neighbour to the northeast, Oman.

For the moment, the hills of southern and central North Yemen may be quiet, but no one is predicting how long that situation will last.

CSO: 4400/89

BRIEFS

SAN'A' GETS GRANT--San'a', Dec. 5 (SPA)--The Kingdom has contributed more than SR400 million for the modernization of airports in Yemen, officials of Yemen's General Organization for Civil Aviation and Meteorology, have said. In an interview published in the news paper 13 JUNE, Saturday, Ali Al-Arishi, director general of the organization, said Saudi Arabia has contributed SR180 million for the establishment of stations for wireless and telecommunication contact, and another SR10 million for the maintenance and operation of observatory instruments. The overall costs of the organization's projects in the previous plan crossed the figure of SR750 million, he added. On the other hand, Yahya Al-Hajj, director general of meteorology, said the Kingdom has financed the construction of three observatories in Sanaa, Taiz and Hodaida, as well as a weather forecast center and a satellite receiver station. The project has cost SR89 million, he added. Meanwhile, Mujib Muharram, director of international administration, has said the Kingdom is financing the new project of developing the Sanaa International Airport at a cost of SR130 million. [Text] [Jiddah ARAB NEWS in English 6 Dec 81 p 2]

SDF LOAN TO JORDAN--Amman, Dec. 8 (SPA)--Finance and National Economy Minister Sheikh Muhammad Aba Al-Khail signed here Tuesday two loan agreements under which the Saudi Fund for Development (SFD) will give SR161.75 million to the Jordan government. The first loan of SR61.25 million will be used for the construction of an industrial dock at the Aqaba Port, while the second loan of SR100.5 million will finance a project to supply nearly 45 million cubic meters of drinking water to Amman everyday. The agreements were signed, on behalf of the Jordanian government, by Dr. Henna Awdah, chairman of the National Council of Planning. King Hussein Monday reviewed bilateral relations and avenues of economic cooperation with Aba Al-Khail. The meeting was attended by Ahmad Al-Lozi, head of the Royal Court, Musa'adah and Sheikh Ibrahim Sultan, Saudi Arabian ambassador to Jordan. Later, Aba Al-Khail announced that, after the signing of the present agreements, SFD's total loans to Jordan have touched the SR545 million mark. He reaffirmed that King Khaled's government is keen to assist Jordan's development projects for the welfare of the brotherly people of Jordan. Meanwhile, Jordan's Finance Minister Salim Al-Musa'adah lauded Saudi Arabia's support for this country's development projects. He reiterated that this assistance will always be appreciated by the Jordanian government and people. Awdah also expressed appreciation of Saudi Arabia's aid to the economic development in Jordan. He said that the present two loans reflect the strong ties existing between the two countries. Aba Al-Khail Tuesday held talks with the ministers of finance, transport, industry and commerce as well as with the governor of the Central Bank of Jordan. Talks dealt with the ways of further consolidating existing cooperation between the two countries. In the

afternoon, Aba Al-Khail and his accompanying delegation visited the liaison office of Al-Yarmuk University and, later, the Royal Academic Society, where he was briefed on the society's programs to boost economic growth in the country. [Text] [Jiddah ARAB NEWS in English 9 Dec 81 p 2]

CSO: 4400/87

BUSINESS RELATIONS WITH ITALY DISRUPTED

London 8 DAYS in English No 47, 28 Nov 81 p 38

[Article by Fulvio Grimaldi]

[Text] ITALY'S business world is in uproar because Italian-Algerian business relations are on the verge of complete disruption. The Italian government, says industrialists, have precipitated a crisis between the two countries by refusing to negotiate a new pricing formula for gas to be supplied by pipeline from Algeria.

The state-controlled oil organisation, ENI, has told Algeria that it will not consider linking the price of gas to that of crude oil, as the Algerians wish. The Italians, like other European gas importers, say that natural gas does not compete with crude oil but with oil products. Algeria's Sonatrach, however, wants to increase the gas price from its present level to about \$3.42 per million Btu to a base price of \$5 per million Btu with an escalation formula linked to a basket of crudes.

Now the official opening of the trans-Mediterranean gas pipeline from Algeria to central Italy, due to have taken place in October in the presence of both heads of state, has been postponed indefinitely. It was to have delivered about 13bn cubic metres of gas each year. Rome hoped that the recent agreement between Italy and the Soviet Union about a \$900m loan for the Siberia-Europe pipeline, in return for between 4bn and 8bn cu m of gas would have provided leverage for the Italians against the Algerians, but Sonatrach was unimpressed.

Now Italian industrialists say that ENI's obduracy, backed by the government, to consider a gradual rise in gas prices linked to crude oil is costing the country millions of dollars in lost or frozen contracts.

The Algerian authorities have also been

angered because Italconsult, the engineering firm which the Italian government has failed to rescue from serious financial trouble, has not completed three detergent-producing plants worth \$120m. Late last month Algeria began freezing its business dealings with Italy and now a complete stoppage of all Italian activity in Algeria is in sight.

Among the first — and largest — casualties of this sudden deterioration was the newly-established Algerian-Italian Bank. This was the first venture of its kind between Italy and an Arab country. Its most promising aspect was the 'trilogue' it was trying to establish, using Arab capital, Italian technology and raw material from African countries, such as Tanzania, Mozambique, Angola, Ethiopia and Nigeria, with which Algeria has considerable influence.

Now, however, there is no communication between its offices in Algiers and Rome, and all dealings have been suspended. Undersecretary Carlo Francanzani, who was instrumental in setting up the bank earlier this year, told *8 Days* that the deadlock could be overcome only if the Italian treasury minister fixed a firm date to meet his Algerian counterpart.

The side effects of the crisis are comprehensive. Algeria has withdrawn from a commitment to allow Italy, in a consortium with Canada, to prospect for uranium in the country's dry zones. A contract for a tyre plant had been initialled, but now Algeria has cancelled. Italian participation in a building project for a million homes has been scratched.

Fiat's tender for 400 maintenance and repair shops, higher than one submitted by its Japanese rival, Honda, was accepted because of the cordial political relationship between Algeria and Italy. Now that deal has been frozen, as have a number of agro-industrial projects Algiers had commissioned the Italian Institute for Foreign Trade to carry out.

And Algeria has broken off relations with Dalmine, part of the Italian mixed industry organisation, IRI. The Algerians say that \$15m worth of pipes supplied by the firm were defective. And an \$80m contract signed between the Ravenna CMC Cooperative and the Algerian ministry of hydraulics for the construction of drains in Algiers has been suspended.

Altogether, in the past few weeks more than 60 contracts estimated at a total of \$500m have been frozen, causing immeasurable difficulties for small and medium firms, who had expected better-than-ever end-of-year results.

In 1980, trade between Algeria and Italy totalled about \$1bn. After the Italian president, Alessandro Pertini, visited Algiers in spring, Italy's exports in the first six months had gone up by 80 per cent, reaching \$850m, while imports rose by 40 per cent to \$540m.

There are signs, however, that with severe economic problems at home, this sudden freeze from such an important trading partner has made the Italian government reconsider. The final straw seems to have been a leak of information to the Italian business community that the Algerian government had instructed its economic departments to ignore a previous circular requesting officials to give Italian firms privileged attention.

The ominous development that alarmed Italian industrialists and the politicians was that this 'privileged attention' was now to be given to the French who, under President Mitterrand, are busy re-establishing the 'special relationship' between France and Algeria that Giscard d'Estaing had forfeited. This clearly dispelled any hopes the Italians might have had that the freeze was a short-term ploy. The threat of being ousted by the French clearly has to be taken seriously.

Rome has taken the first step of allocating \$80m for the completion of Italconsult's

contract on the detergent plants, which has now been entrusted to the mixed company, Italimpianti.

And Rome has agreed at least to start talking about the gas deal that sparked the affair in the first place. The minister for foreign trade, Nicola Capria, and a delegation from ENI are resuming negotiations with the Algerians. An ENI official told *8 Days* that the way out of the impasse may be found by tying the price formula for natural gas to a basket of energy products that include refined oil.

ROLE OF PRIVATE SECTOR IN DEVELOPMENT DISCUSSED

London 8 DAYS in English No 47, 28 Nov 81 p 39

[Text] FOR THE PAST six months Algeria has been engaged in an extensive debate over the role that the private sector is to play in the country's economic development plans. At the end of December the Front de Libération National central committee meets to discuss the privatisation of industry and agriculture.

Liberalisation of Algerian economic life will be gradual, certainly not along the lines of the wholesale return to private initiative exemplified by the late President Sadat's open door policies. Foreign enterprises will not be permitted to hold equity in Algerian corporations. The main beneficiaries of the new economic policies will be small to medium-scale Algerian farmers, artisans and industrialists.

The recognition that the private sector has a role to play in the Algerian economy is not new. The national charter, the blueprint for the construction of a socialist society in Algeria (adopted in 1976), defined the function of private business as a counter-point to centralisation of economic power in

Although it is overshadowed by the size of the public sector, Algeria's enterprise is nevertheless extensive. For example, a study of the private sector prepared by the French-language weekly *Algérie-Actualité*, revealed that 60 per cent of the arable land is worked by small private farmers. In addition, 63 per cent of commercial activities and services are in private hands, while ministry of light industry figures show that 4,800 private businesses are engaged in manufacturing, including 1,650 artisan units employing less than five employees each.

Stimulation of private enterprise is viewed in government circles as a means of creat-

ing thousands of new jobs. Unfortunately, output in the private sector is often curtailed by bureaucratic bottlenecks in the parastatals, as small businesses are largely dependent on the state corporations for their raw materials.

A prime example of how inefficiency in the state enterprises blunts private initiative, and consequently hits the consumer, is agriculture. The large state-owned farms and the plots granted to the landless under Algeria's agrarian reform are incapable of meeting centrally planned production goals. The small private farmer is often able to provide food which the urban markets are short of, but price incentives from state marketing monopolies are insufficient to encourage such farmers to increase production.

So quite frequently farmers don't harvest their crops because state prices would not cover labour cost. The result has been a shortage of fruits and vegetables in the towns, and a flourishing black market. Last year, the government changed its policy on private farmers and allowed them access to credit from state banks and other forms of financial encouragement. The government now hopes that the shortfall in the production of consumer goods can be partially offset by private enterprise. In light industries like textiles, construction materials, household equipment and handicrafts, the government will provide credits as an inducement to expand and modernise existing private companies, and create new ones.

Services are another area where private initiative is to be encouraged. The state tourist corporation, Altour, has proved incapable of managing the string of large hotels and tourist complexes built between 1965 and 1975 along the Mediterranean

coast. Algerian entrepreneurs will now have the opportunity to open up small hotels and restaurants at tourist sites, even in the Sahara.

The government is also trying to entice Algerian entrepreneurs and tradesmen who currently own and operate successful businesses in Europe, principally France, to return home. Their experience and capital could be invaluable in stimulating Algeria's new-look private sector.

CSO: 4500/75

BRIEFS

ALGERIAN-SOVIET DIFFERENCES--Algeria has accused the Kremlin of "selling off" its gas to Europe for strategic reasons. Moscow in turn has reproached Algeria for its attempt to establish economic relations with Paris which are "unequal and neocolonialist". [Text] [Paris LE NOUVEL ECONOMISTE in French 21 Dec 81 p 78]

CSO: 4519/76

EFFECTS OF ARAB BOYCOTT ON EGYPTIAN CINEMA

Paris AL-MUSTAQBAL in Arabic No 246, 7 Nov 81 pp 89-90

[Article: "Who Will Save the Egyptian Cinema in the Age of Normalization?"]

[Text] During the past 4 years, the number of Egyptian films produced annually has declined from an average of 50 or more to just 15.

This decline in quantity is being accompanied by a decline in quality, with some exceptions, but the Egyptian cinema so far still represents the center of Arab cinema, with its long history and capacity to influence the Arab masses. This is now being subjected to several indicators; at the present time, Arab cinema production in Egypt faces a crisis as a result of several problems in the economic, cultural, social and political areas.

The Egyptian film basically depends on foreign distribution. This profit represents a major part of the production costs, despite the fact that the Egyptian film is a commodity produced only in Egypt. However, the purpose of producing it is to exhibit and distribute it to the entire Arab World.

Moreover, all the profit comes back to the Egyptian producer. The process to a certain degree is complex. One notes that the number of films being produced is declining year after year, considering that in 1979, at a time when technical capabilities were on the increase, as a result of the graduation of hundreds of technicians each year from the Cinema Institute, there was a negative factor in the extravagant salaries demanded by the stars. Sa'ad Husni's salary, for example, has reached 25,000 pounds a film. This is the case as well for 'Adil Imam, Mahmud Yasin or those other so-called box office stars.

On the other hand, Arab boycott decrees have resulted in an effect on the size and diversity of films produced. There are a number of writers with whom it is prohibited to work. The best known is Najib Mahfuz. Some producers have just left his name off the posters advertising several films whose scripts he wrote, as was done with the film "Ahl al-Qimah." This also happened regarding films whose scripts were bought from him before the boycott decisions. However, after the decisions, many producers declined to contract for new scripts by Najib Mahfuz. The result of this is the Egyptian cinema being deprived of an undoubtedly major writer. The boycott decisions were also applied to actors. Among those affected was Mahmud Qabil. This has led to the film "Wadi al-Zakriat" not being distributed abroad. It is presently being shown around the movie circuit in Cairo, but it constitutes a major loss for its producer.

This is in regard to the boycott decisions, but what about views that are now surfacing in cinema production circles in Egypt when the situation is discussed.

Some feel it necessary to extend the policy of economic relaxation to the cinema business in Egypt, so that production there could be left to Egyptian and foreign investors. However, there are opponents to this view among the producers and actors themselves, because the experiment of joint production in the past was not encouraging. This joint production might lead to an influence over the films' content and the foreign producer's barefaced interference.

On the other hand, some are opposed to the idea of state interference in such investment activities as this, especially in the field of cinema production. They demand that an analysis be done of the nature of the cinema business, along with research into ways of operating to discover the ideal methods which can be applied to the cinematic sector, so that the cinema business can be successful in all its various aspects. They feel that the presence of the state is important to watch over the social side of the cinema. This could be done in many ways, one of which could be selected that would not be in conflict with the importance of the private sector's continuing to be active in all phases of cinematic production, provided that the state watch over the course of cinema production and to provide it with guidance, so as to make it capable of serving society and making a profit for the national economy. Of course, all of this is from the theoretical aspect.

There are other factors that are leading to the weakening of the Egyptian film, including the spread of video and video clubs, which sell Egyptian films before they are put on the market. Moreover, there is the influence of television, since many now prefer to watch television at home, instead of going to a movie theater, where the prices of tickets have gone up. The price of a ticket is now a whole pound. At the same time, the moral level has declined within the movie houses. This issue has been raised more than once in the pages of newspapers and magazines.

Another factor is foreign film competition. With respect to this competition, a study prepared by the National Council chaired by Dr 'Abd al-Qadir Hatim, says that the median number of Egyptian films produced per year was 35 over the last 10 years but that it dropped to just 15 last year. So that one can evaluate the role that the Arab film plays in general in Egypt, it is necessary to supplement it in the movie theater with a foreign film.

Statistics show that an average of 300 foreign films were imported annually over the past 5 years. The majority of movie houses in Cairo show foreign films. Apart from this, the number of movie houses in Cairo has diminished in the past 20 years. In the 1940's and 50's there were twice the number of movie houses than there are now. This results in fewer opportunities to show Egyptian films, and consequently has an effect on their revenue.

The Role of Distribution

The foreign distributor plays a principal role in financing Egyptian film production. Frequently, the distributor intervenes in planning the various elements of the film. Naturally, this intervention is for commercial benefit and not for any other reason.

The distributor intervenes in selecting the heroine and the hero, and at times changes the story. Of course, his intervention is for commercial benefit, not for any other reason. This type of financing leads to depriving the Egyptian producer, and consequently the economic asset of the cinematic sector, of the privileges of artistic creativity which he achieves mostly through the symmetry and integration among the film's various elements.

The report of the specialized national councils states that the unforeseen circumstances that sometimes prevent the showing of Egyptian films in their markets, are the result of certain conditions in the Arab countries. This frequently leads to a drop in the exhibition process for Egyptian films, in order to guarantee a fair exchange for foreign distribution. In order to meet this situation, several matters and steps are required:

1. Establishment of a banking system especially for financing film production. That could be done, if an independent bank or one of the currently existing banks would specialize in credit for the film industry, providing that this banking system be in conformity with the requirements of cinematic production and its special circumstances, and that the bank make loans against the income from foreign distribution, so as to protect the producer from the arbitrary actions of the foreign distributor.
2. Many of those in the cinema industry complain about the system of taxation. One notes that the current rate and fees imposed in Egypt, whether on movie production or on watching the shows represent a heavy burden on the Egyptian film in its present circumstances. Producers are asking for a reduction of taxes, as well as a reduction of the customs duties on the prices of raw materials.
3. Producers and directors feel that it is essential for the state to share in a specific point, and that is to provide the basic facilities for studies. This was the big development in the cinema industry abroad. It should also give priority to complete the cinema project. All the cinematographers agree on this point.
4. Writers think it necessary to be meticulous in choosing good texts, since they should not be confined to matters of entertainment only. The state should assist in inducing production of various historical and scientific subjects. This kind of large production would require state assistance, and would also require the assistance of Arab writers from outside of Egypt. Ultimately, there is a need to eliminate the trivial subjects, which are harmful to the Egyptian cinema, confusing to social reality and far from it.

Movie Houses

Movie houses in Egypt are decreasing. This is a fact borne out by statistics. This is leading to a drop in cinema revenues and a smaller financial profit. Through a widespread poll of the views producers, directors, writers and actors, they all believe that the owners of new buildings must be encouraged to establish movie houses below the buildings. Then a long-range plan should be drawn up through village development organizations, subordinate to local government, to establish suitable movie theaters in the larger villages, especially since electricity has been introduced into most Egyptian villages, as a result of the building of the High Dam. On the other hand, Egyptian offices ought to be established to distribute Egyptian films abroad, instead of depending on the foreign distributor who interferes in selecting the types of subjects and actors.

As for the foreign films that are shown in Egypt, another look must be taken at the policy that governs their showing and selection, since most of them are artistically very poor, such as the karate and sex films, whereas the scene is devoid of the successful international films. The American film almost completely dominates the foreign showings in Egypt. French, English and films produced in Western Europe are almost never seen. As for films produced in Japan or the Third World, the Egyptian viewer knows nothing about them. The showing of these films would lead to a rise in the level of artistic taste and would give producers standards of successful production in the international cinema field.

The Cinema Institute was established many years ago, and a large number of technical specialists have graduated from it. A number of this institute's graduates have sparkled in their first films, and then made subsequent concessions, so that commercial cinema swallowed them up in its declining standards. The report of the specialized national councils believes that the institute in its present condition requires a kind of development that would be compatible with the desire to protect cinema production. The report proposes specific steps which can be summarized in the need to enhance the students' talents, considering that that is one of the cinema industry's needs, confine the curriculum to a limited number of subjects, supply the institute with the scientific resources, which will to a great extent, aid in the teaching efforts, and form a generation of fulltime professors rather than calling on workers in the cinema industry for help.

Those are the most important points that the official reports feel should be implemented, but can the Egyptian cinema be saved. What is written is one thing, and what is actually done is another, especially since studies prepared by organizations in Egypt are not usually heeded.

The producers, directors and actors agree on the danger that the Egyptian cinema industry faces, because it is deteriorating on the artistic level. This is attributed to several reasons, but there is another factor. It is the Arab boycott with respect to those dealing with Israel. If that were to be seriously consolidated, it would be tantamount to a strong blow which would decisively affect what remains!

7005
CSO: 4504/105

PALESTINIAN LEADERS ACCUSED OF 'BEING TRAPPED BY IMPERIALISTS'

Tehran ETTELA'AT in Persian 22 Nov 81 p 16

[Text] How long will we spend time in political activities and compromising meetings with the superpowers instead of confronting Islam's enemies, how long shall we ignore weapons and military and divine power for the liberation of Jerusalem? How long shall we give Israel a reprieve for its unceasing crimes, how long must we witness slaughters? Do the people's leaders not know and have they not seen that political negotiations with powerful politicians and history's criminals will not liberate Jerusalem, Palestime and Lebanon, and that each day the crimes and oppression will increase? For the freeing of Jerusalem, machineguns relying on faith and the power of Islam must be used, and political games which smell of compromise and keeping the superpowers content must be put aside. The Moslem nations, particularly the nations of Palestime and Lebanon, must punish those who spend time in political maneuvers, and they must not tolerate the political games which result in nothing but harm and injury to the oppressed nation.

Imam Khomeyni on the Occasion of Jerusalem Day

The professional political players present a new plan every day to pass the time, but the plan's consequences are in fact a continuation of the fate of the oppressed Palestinian people; bondage, homelessness, bombing and hunger. In place of this logic, the Moslem masses of Palestine possess a separate logic which boils forth from their pure human nature. They posses a logic which seals in advance all the roads which probably lead nowhere. The logic of the deprived Palestinian masses can be understood from the spark in the eyes of a child who looks lovingly at his brother's machinegun. The logic which dragged the United States into degradation in Vietnam. The logic which pulls 13-year old "wise Mohammad Hosseyn", grenade in his belt, beneath the enemy's tank. This is the eternal logic of the oppressed in all eras of history. Now in our time Palestine can be the true incarnation of this logic. It is now, has been, and will be. With this logic they will free Jerusalem, but on the condition that those who consider themselves the guardians of these human beings do not bring the begging bowl to the doors of the "Fahds", and that they do not ask for "peaceful coexistence"!! with the killers whose crimes in Dir Yasin and Kafr Qasem have blackened the face of history. In this logic no place exists for an illegitimate creature named "Israel". And if once upon a time it was born from the inauspicious union of the supercriminals, matured, and is now a spreading cancer, it must be destroyed by cutting all its roots. It must be eliminated so that the name of this illegitimate child is no longer found on the face of the earth.

Yes, the deprived Palestinian masses are armed with this logic. We do not say this. Neither are we the guardians of the people of Palestine. Rather, the history of the struggle of the masses, including that of the Palestinian people, says this. This is what the immortal history of the resistances and sacrifices of the Moslem nation of Iran says.

Now the Palestinian leaders must be asked: Really, how is it that until yesterday all the reactionary powers and governments were striving so that a country named Israel would find acceptance before the arab nations, including the Palestinian nation, and today the equation has been reversed? Meaning that not only has the existence of Israel been accepted, but all efforts are directed towards settling the deprived and tyrannized Palestinian nation in some corner, and in return for this great distinction, all the arab nations will guarantee safe borders for this illegitimate child. Recently because one imagines that he is more powerful, he brings forth a new trick and a new game every day. From the other direction the United States brings pressure to bear on the Palestinians, saying: 'Now you come and accept the existence of the country of Israel, and guarantee secure borders for it, and perhaps it will give up its bad behavior and agree to your having some tiny territory on the West Bank of the Jordan. Of course, remember that you must promise not to vex Israel'. To ensure this matter the United States concludes a strategic pact with Israel, on the basis of which Israel becomes the United States' armory in the Middle East.

The leaders of Palestine must be asked: How has the equation come to this? Not only has Israel fallen into place for all the Arabs, but now it must be seen how safe borders for this dear quest(!!) can be guaranteed. Is this matter anything else but that the Palestinian leaders have fallen into the trap the imperialists set for them? As the imam says: They have spent time in political activities and compromising meetings with the superpowers, and have given Israel a reprieve for unceasing crimes".

Can the Palestinian leaders claim that the Palestinian masses are ready tp accept Israel's existence? How can a nation whose name has always been a legend of resistance and perserverance sit down at the conference table with the killers of its own children? How can it ever accept the "existence" of such criminals?

Therefore we see that the process of Palestine's struggle, accompanied by all that death and destruction, has not only not moved forward, but rather has come to such a pass that the enemy's existence has become undeniable, even in the occupied territories. It is evident that this interpretation of the struggle and its process is not a rejection of the resistance and sacrifices of the Palestinian masses, who have always been a symbol of resistance. Our words instead concern what the imam calls "political games which smell of compromise". Otherwise, who does not know that the nation of Palestine is a legend of resistance. It was for this reason that the imam, with his political insight that originates from Islam's dear text, pronounced: "The nation of Palestine should punish those who spend time in political maneuvers, and should not tolerate political games which result in nothing but harm and injury to the oppressed nation".

Our words are that we must believe in the nation and its resistance and struggle, and that in the struggle's path any "solution" which smells of compromise must be

shoved aside. We must be swayed by the reactionary and American rulers of the Arab regimes. How is it possible for a person who has slaughtered thousands of Palestinians to one day become a friend of the Palestinian nation? Is it possible that the King Husseins will change their nature? Does anyone have such a futile thought or really lack sufficient political awareness as to believe this? Do they enjoy wallowing in fruitless political games, and have the professional politicians turned to chopping logic? These minds can never nourish the claim to leadership of the Palestinian people. Governments like Shah Hussein's Jordan can not only never be friends with the Palestinian nation. Rather, as the martyr Raja'i said, the first step towards the liberation of beloved Jerusalem is the overthrow of all the reactionary governments in the region.

9597
CSO: 4640/79

IRAN

'JUDICIAL POLICE' ESTABLISHED WITH WIDE RANGE OF POWERS

Tehran KEYHAN in Persian 25 Nov 81 p 5

[Interview with Mohammad Asghari, minister of justice]

[Text] Upon the ratification of the general points of a bill before the Majlis, the organization of judicial police of Iran will be formed, establishing an independent organization under the supervision of the judicial branch to implement rules and lay the grounds for the effective implementation of the law. It will act as one of the powerful arms of the judicial branch and the Justice Department when a crime is committed in the society, from the time the case is filed to when the criminal is taken to the court in order to avoid the interference of incompetent and impious individuals in filing the case.

Some judicial policemen are already serving and are being trained. The rest will be gradually employed and in the future, will have the opportunity to receive specialized training in combat, police, and judiciary fields at the judicial university, which will function under the supervision of the Justice Department. They will have a special insignia and, according to authorities, will work to precisely implement Islamic laws.

To become familiar with the formation, procedure, and organization of the judicial police, which will be established in Iran for the first time, and, also, to learn about the experiences of other countries in this regard, we have prepared a report in which we interview the chief of the judicial police and the minister of justice.

Following the development and expansion of communication, the progress of societies, and the need for specialization on all social levels, the law enforcement and judiciary systems of various countries

around the world have separated the duties of law enforcement or disciplinary police and judicial police, which had previously been a part of one single organization, and have begun to train specialists in every field. At the present time, this division of duties is practiced in 35 countries throughout the world, including Algeria, Syria, France, England, and Japan. However, the duties and responsibilities of judicial police in different countries are not the same. In some countries, the files formed after the occurrence of the misdemeanor or crime are taken to the high courts by the judicial police immediately after they have been completed. In practice, court duties are also handled by judicial police. In some countries, after the preliminary files are formed by the judicial police, offices of inquiry continue the investigation and after the indictment is issued, the case is sent to the proper court. In some others, the judicial police functions as an independent organization under the supervision of the judicial branch. In other places, it functions as an organization affiliated with the disciplinary police. The idea of separating the disciplinary police and the police department existed in Iran years before the revolution, but, given the procedure for investigating offenses, it was postponed. After the victory of the revolution, with the appearance of revolutionary institutions and the lack of a clear description of their legal duties as well as those of the traditional institutions, which, for various reasons, after the revolution, did not have the necessary capability to implement judicial rules, the need for the establishment of judicial police was felt even more.

The proposal for the establishment of judicial police, in nine articles and four notes, was ratified by the Islamic Revolutionary Council of Iran on 26 Jun 80. Along with the short-term and long-term steps taken to bring about necessary changes in the Justice Department of the Islamic Republic of Iran, efforts began which would establish the judicial police. In the legislative bill to establish the judicial police, the guidelines for the selection procedure and hiring of judicial policemen are also provided and, in accordance with Note 1, Article 1, of the above-mentioned bill, they have been sent to the Cabinet for approval. In a session on 14 Feb 81, this charter, with 29 articles and 5 notes, was approved by the Cabinet. A supervisor was appointed by the Supreme Judicial Council to establish, organize and administer the judicial police. After certain steps were taken, the preparations were made for the selection and hiring of 250 young Muslim men who are committed to the Islamic Republic and who observe religious obligations and do not do what is religiously prohibited. After tests, interviews, and selection, these men will undergo military and special police training and will attend classes to become familiar with the laws. If they successfully complete the educational and practical training, they will be employed by the organization as judicial policemen in courts and other units. In the judicial police bill, the duties of serving judiciary papers and carrying out verdicts are added to the duties

existing in the first and second sections of the first part of the penal law and other laws involving Justice Department officers. The responsibility for establishing the judicial police is conferred on the Supreme Judicial Council, especially the prosecutor general of the country. The judicial police will have a special jasper green uniform and a special insignia.

After the ratification of the general points of the bill for the establishment of the judicial police, which had gone to the Majlis some time ago, we had an interview regarding the judicial police with the supervisor of that organization. In this interview, 'Abbas Hashemi-Eshaqpur, chief of the judicial police, concerning the motivation and the procedure for the establishment of the judicial police, said: The judicial police has a 30-40 year history in the world. In Iran, as well, since 20 years ago, studies have been made concerning the establishment of a judicial police force. Perhaps the motivation for this is basically the need which has existed to separate the work of disciplinary police and judicial police. In other words, disciplinary police require a certain amount of preliminary training and judicial police require other conditions and training. Therefore, studies were made in this regard, keeping in mind these requirements which had been realized about 18 years ago. But, for various reasons, they were not acted upon. After the revolution, the legislative bill for the establishment of the judicial police was ratified. After the establishment of the Supreme Judicial Council, efforts for its implementation began. One of the motivations for the rapid establishment of the judicial police was to enable the judicial branch to have at its disposal the means, including judicial police, to establish Islamic justice, to make basic changes in the laws, and to achieve the rule of law, that is, to have the judicial police follow the cases from the time notices are served to the later stages included in the duties of the judicial police and to train and prepare forces to bring about fundamental changes in this regard, taking every aspect into consideration with Islamic commitment. When the law enforcement agents are committed to the law and have a responsible commitment to the Islamic system, there is more hope that this change will be affected in practice. Naturally, the judicial police have the necessary special training, which we must consider, given the conditions of the country today.

The Duties of the Judicial Police

About the duties of the judicial police, the chief of the judicial police said: As far as these duties have been legally established thusfar (of course, they have not been clarified precisely), on the whole, the duties of the judicial police consist of all the work done after an offense has occurred, including the filing of the case, pursuit of the offender, collection and preservation of records showing the past history of the offenders, and taking the offender to the courts or public prosecutor's office. Of course, some of this

work is subject to the charters and related bills which must be sent to the Majlis regarding the judicial police in the future. In short, we can make use of the experiences gained so far in regards to judicial police. Our duties involve what is done at the criminal investigation office, the identification office, and the coroner's as well as work done in gendarmerie posts and police precincts regarding the formation and completion of case files in addition to serving notices and judicial papers and carrying out the verdicts, which are not among the duties of judicial police in other countries. In fact, this is a sort of separation and division of labor. The responsibility for law enforcement is in the hands of the disciplinary police until an offence occurs. That is, the police department is responsible for order in the cities and various areas, while other than cities, the gendarmerie handles this. But, as soon as an offense occurs, this job is taken over by the judicial police, which are familiar with law and regulations.

Concerning the selection process and future programs of the judicial police, Hashemi, chief of the judicial police, said: To fully implement the law, in addition to clarification laws, it is necessary that our problems as well be clarified in practice, so that, with consideration for them, legislative bills will be devised. For instance, in some sections, we need experts with bachelor's degrees and above.

Special Training of the Judicial Police

We need high expertise in the areas of forensic science, identification, and existing laboratories. Of course, for the elementary work, we can take those with diplomas. In this section, the work consists mostly of serving judicial papers, carrying out civil and penal rulings, and issuing summonses, and such things. In this area, individuals who are selected should have a minimal judicial education and be able to acquire a correct understanding of the law.

And to do their legal duties in accordance with the law [as published]. They should have at least a diploma. As for their ideology, we will, with the cooperation of the brothers in the guards corps, investigate them in order to find out even, for instance, that someone has moved four times, what sort of family background he has, whether he is moral and committed to Islam, whether he does his religious duties, whether he is committed to the revolution, whether he is affiliated with minigroups or groups, or whether he has leftist or rightist inclinations which would be contrary to the Islamic Republic. Also, they will be tested on their knowledge at the diploma level. In judicial police training, we cannot reach the necessary level in two or three months. However, given the temporal necessities, our basic plan is to give 1 month to 45 days of combat training to judicial police in the barracks of the guards corps and to devote the same amount of time to police training with our committed brothers

in the police academy who have declared their cooperation with us. Also, they will undergo a month and a half of necessary judicial training. They will be trained to know what place the judicial branch has in the Islamic Republic and what the duties of judicial police are. After this training period, our men will undergo job training in one of the above-mentioned units, which will continue alongside their daily work until it is felt that there is not further need for it. Of course, the training in ideologic and Islamic issues will continue. We hope that at this stage we will be able, with the establishment of the judicial university, to include pre-university training, with the cooperation of the headquarters for the cultural revolution and the authorities of university affairs. Those individuals who, in the course of their service, have adhered to their commitment to Islam and at the same time are disciplined will be able to be chosen to receive the necessary training and specialization in the field of judicial police work, which will be one of three fields at the judicial university. Concerning discipline, it must be added that simultaneous with the approval of our charter by the Cabinet, only 75 of the 1,500 applicants were chosen, after detailed investigation and interviews, who are, from every standpoint, outstanding individuals. Still, we have had cases where we had to discontinue the training of someone who was not orderly or who had left the barracks without the permission of his commander, because, if the judicial police are not committed to observation of the laws of the Islamic Republic, naturally, we will not be able to achieve the goal necessary for the establishment of the system of Islamic justice. The judicial police must be disciplined and committed to the adherence of Islamic laws. If there is a shortcoming in the law, it is the responsibility of the Majlis and the judicial branch to revise or change the laws to improve them. If a member of the judicial police wants to take the law into his own hands, we cannot hope to establish judicial security.

Concerning the morals and behavior of the judicial police, the chief of the judicial police said: The issue of morality should be studied as it concerns the whole society. At issue is our understanding of the word police or any other words which concern officials of the government. This understanding is very different from what we should have in Islam. When we see that the imam of the people, this model who should serve as an example for everyone in the regime of the Islamic Republic, says that he considers himself a servant of the people, naturally, all the authorities and those in key positions in the country are servants. But, the judicial police must pay more attention to moral standards and Islamic behavior. That is, every committed young man who accepts this position must be well informed on Islamic behavior in relation to the responsibility and the job conferred upon him. Remembering his commitment to Islam and the Islamic revolution, he must feel bound to observe moral standards and we hope that the judicial police will show this in action.

Interview with Minister of Justice

The judicial police bill was presented to the Majlis some time ago. In certain cases, it was protested that the general points of this bill were ratified by the Majlis after revisions. In this connection, we interviewed Mohammad Asghari, minister of justice. He said: The bill for establishing the judicial police was previously prepared as a charter in the Cabinet of martyr Raja'i and was approved. There were issues in this charter which were objected to by the dismissed president. After this charter was sent to the Majlis and was reviewed by the Council of Guardians, the Council of Guardians announced that there are issues in this charter that, in accordance with the Constitution, must be presented as laws.

One objection was that the establishment of the judicial police will be a financial burden and that after it is established, the problems of promotions and payment procedures and figures in the budget will become issues. These aspects must be presented in legal form. This and several other parts were objected to and were taken to the Majlis in ammended form. Another thing that was objected to was the definition of the term "judicial police," because earlier, the law had stated that the judicial police would be formed from law enforcement officers and personnel and judicial officials (that is, the officials who serve notices and those who carry out penal rulings, etc.).

As such, the judicial police was not seen as independent. In the new definition which we provided, we said that the judicial police would be made up of judicial officers and personnel, which could also include personnel from the police department or the gendarmerie. The judicial police works independently under the supervision of the judicial branch, carries out the orders and rulings of the judicial branch, and is not a part of the law enforcement police.

We also corrected Article 2 such that the judicial police is a part of the Justice Department of the Islamic Republic and is responsible for carrying out the orders of judicial authorities. This Article is very sensitive and important. It has often happened that, for example, a murder case or a case of violation of public chastity goes through the process and a person who has not had the proper Islamic training and has been ideologically weak has begun to make red tape and it has happened that the investigation of such a case has followed the evidence provided by the first available uniformed individual, which would often result in misuse or bribery and so on and which would alter the direction of the case. With the clarification in the Article, we handle the work from the beginning of the arrest and notification to the end. In certain instances, it has been witnessed that when the ruling in a case, after 15 years in the Justice Department, has been issued, people have had trouble in carrying it out. In other words, due to the circumstances and lack of piety overriding, the complainant would get no results.

He added: Article 3 of the bill concerns payments, which, contrary to the previous bill concerning the payment of funds after employment and later promotions, needed to be clarified as a law. It was clarified and announced that Part 3 of the charter of the judicial police had been ratified as a part of the law for the establishment of the judicial police. With the clarification, we hope to have no difficulty concerning payment and budgetary figures.

Concerning Article 4, which deals with the military service of the judicial police, it was decided that their situation will be like that of personnel of the police department and the permanent cadre of the armed forces.

Another case, Article 5, concerns carrying arms by the personnel of the judicial police. Of course, it should be mentioned that not all of them are allowed to carry arms; but this is detailed in Article 21, Section 4. This bill was sent to the Majlis again and its general points were ratified.

The General Points of the Revised Bill for the Establishment of Judicial Police

The general points of the bill ratified by the Majlis for the establishment of the judicial police are as follows:

Single Article 1--Article 1 of the legislative bill for the establishment of the judicial police will be amended as follows:

The judicial police will be made up of officers and personnel of the judicial police and judicial officials (officials who serve notices and those who are responsible for carrying out penal and civil rulings are established to carry out the duties mentioned in this law) [as published].

2. Article 2 is revised as follows: The judicial police is a part of the Justice Department of the Islamic Republic and is responsible for carrying out the orders of the judicial authorities.

3. Section 3 of the charter of the judicial police, approved by the Cabinet and attached to this single article, is ratified and will be a part of the law for the establishment of the judicial police.

4. The military service of the personnel of the judicial police is as described in Article 8 of the

law for general military service and the related notes ratified from 21 Mar 71-20 Mar 72 for the personnel of the police department and the permanent cadre of the armed forces.

5. The personnel of the judicial police have the right to bear arms as described in Article 21, Section 4, of the charter.

9593
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NEW PIPELINE PLANS UNDERWAY FOR INCREASED OIL DISTRIBUTION

London 8 DAYS in English No 48, 5 Dec 81 p 16

[Article by Michel Szwed-Cousins]

[Text] DESPITE the continuing war with Iran, Iraq's oil ministry is thinking ahead, with plans for a 1m b/d pipeline across Saudi Arabia to the Red Sea terminal at Yanbu.

Meanwhile, Lebanon's petroleum minister, Mohammed Beydoun, who visited Baghdad recently for talks, has announced that the Tripoli branch of the 1.4m b/d Iraq-Syria pipeline is to be reopened soon. The main pipeline, reopened in February, is substantially underused (as is the pipeline to Dorytol in Turkey). Only 300,000 b/d, a third of Iraq's current exports, are pumped through to the Syrian terminal at Banias, though the Banias branch can handle 1m b/d. The Syrians take 100,000 b/d for their refinery at Homs leaving the remaining 200,000 b/d for other markets. The Lebanese branch, which has a capacity of 400,000 b/d, will have 200,000 b/d pumped through it, of which 35,000 b/d will go to the Tripoli refinery.

But the speed with which the pipe can be reopened is being seriously questioned by oil analysts. The oil pumping stations have been idle since the 1976 civil war, and they may well need major work on them before they can function. However, the fact that the reopening of the branch is being seriously considered points to growing understanding between Baghdad and Damascus. Last July, Iraqi Oil Minister Abdel Karim Tayeh cited difficulties with Damascus as one of the main reasons why the Tripoli branch was not being used.

Tayeh's comments were accompanied by an announcement that Iraq had drawn up plans for two 1m b/d pipelines, one to Kuwait and the other, 1,400km long, to

Yanbu. Agreement had been given in principle by the Kuwaiti and Saudi Arabian governments. Since then, however, a pipeline to Kuwait seems to have become less likely, partly, it is rumoured, because it would still necessitate a journey through the Straits of Hormuz. Studies are now concentrating on Yanbu, but that too involves problems.

Iraqi hopes that they might be able to link into the new trans-Arabian pipeline and use the recently opened terminal at Yanbu have been firmly rebuffed by the Saudis, who have told the Iraqis that they will have to build their own separate terminal. Though not happy about this suggestion, there seems little chance that Iraq will choose instead to take up a Jordanian offer to build a pipeline and terminal just south of Aqaba. Oil Minister Karim had previously rejected the idea of a terminal there because of its proximity to Israel. The Saudi line is still expected to go ahead.

However, another long-term pipeline plan could well involve Iraq. A scheme to build a line from Kuwait into Saudi Arabia and then down to Oman, avoiding the Straits of Hormuz, has been proposed and there has been talk, in Kuwait at least, of extending the line to Iraq. But there is one unresolved problem, that of security.

Just as significant, given Iraq's plans to increase exports, is the fact that the oil ministry has been talking to western oil companies about re-establishing their presence in the country after years of absence. Feelers have been going out for some time to the multinationals, and in July Tayeh had meetings in London with Shell and BP. He

later announced that Iraq wanted to 'set up new relationships' with them, making it clear that he was talking about more than just sales arrangements. Before the war, when Iraq was exporting 3.5m b/d, the multinationals did nothing but buy oil. Shell was taking 115,000 b/d, BP and Amoco 40,000 b/d each, Exxon 30,000 b/d and Mobil and Gulf 25,000 b/d each. Even then there were difficulties for the multinationals, with Iraq making clear its preference for government-to-government deals.

The oil companies are certainly interested. Mobil has indicated it wants to move into Iraq, and Shell has recently moved one of its top Middle East officials from Riyadh to Baghdad. What makes these companies interested is the size of Iraq's untapped reserves. Proven reserves are put at 30bn barrels. However, Iraq has long maintained that it has the largest reserves in the world and though the multinationals may not totally agree, they do know that much of Iraq is still unprospected and that the chances of finding huge new fields are high.

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IRAQ

BRIEFS

RAILROAD CAR FACTORY--Dow-Mac Concrete, the Lincolnshire subsidiary of Norcros, has won a \$36.5m contract to build a railway sleeper factory for the New Railways Implementation Authority of Iraq. It will operate the factory for five years and sell to the authority 2.5m sleepers with a base value of \$115m. This is the second railway sleeper factory contract Dow-Mac has won in Iraq. [Text] [London 8 DAYS in English No 48, 5 Dec 81 p 34]

CSO: 4400/89

PRESIDENT NAVON DISCUSSES RELIGIOUS ZIONISM, ETHNIC DISCRIMINATION

Tel Aviv HA'ARETZ in Hebrew 25 Sep 81 Weekend Supplement pp 7-9

[Interview with President Yitzhak Navon by Roman Priester; date and place not specified]

[Text] David Ben-Gurion dreamed of a Yemenite chief of staff. Perhaps he thought this would bring the ingathering of exiles to its natural conclusion. Thus far, the IDF has not had a Mideastern chief of staff, but Israel has a president who is not exactly Ashkenazi. Yitzhak Navon, who was once the old man's secretary, is now spending his fourth year in the president's Jerusalem residence. His parents' parents immigrated from Spain, and his marriage to Ofira Erez, the daughter of Russian immigrants, is more in keeping with the trends characterizing Israeli society--twice the number of inter-ethnic marriages today than 10 years ago--than any naive dream. It was somehow logical that on the eve of the new year, 5742, we should hear his opinions on the issue which has been ravaging the Israeli people for the last few months: the crisis in the relations between Mideastern and Ashkenazi Jews. Even within each of the two major sections of the population, contradictions and even bitter arguments have been heard. The last election campaign underscored a dangerous line of separation between Israelis with roots in the Mid-eastern culture and those raised in families of European or American descent. Did the 10th Knesset elections arouse latent antagonisms, or did the campaign itself create them?

The President: The election campaign provided an opportunity to express existing phenomena. The campaign did not create the problem of inter-ethnic gaps but was the catalyst at the heart of existing rivalries which were then inflated during the elections. I suppose that if the campaign was conducted without televisions, the issue would not have taken on the same proportions. Local outbreaks would not have been known in the absence of that little screen. All I mean to say is that we are witnessing the existence of a process which the campaign itself unfolded. Any election campaign is based on emphasizing differences between people, parties and social classes.

Question: Isn't that a legitimate phenomenon?

The President: The election whets and sharpens these differences. It goes without saying that you can't sharpen that which doesn't exist. The problem lies in inflation. I deeply regret that politicians dealt with these issues in an irresponsible and careless manner, and in my opinion, consciously emphasized the question of gaps, in at least a few instances, due to party considerations. However,

the tension has subsided to some extent since the elections. I am preoccupied with more basic problems. I'm trying to track the social processes effecting this area, in both positive and negative directions. I want to reach conclusions regarding the future. I want to try and understand where these processes are leading to.

Question: Perhaps, before you speak about the future, you would take a moment to discuss the past, the roots of the problem. Do you agree with the claim voiced by many Mideastern Jews to the effect that they have not been given an equal opportunity to get ahead in life, compared with Ashkenazi Jews?

The President: The social gap is concentrated in the so-called families blessed with children, or families with many children, depending on your world view. All in all, it really would be a blessing if only these families were better equipped to support themselves. According to the statistical data available to us, half the children in Israel are being raised in 20 percent of the families, and the other half in 80 percent of the families. Simple arithmetic will tell you that 20 percent of the families therefore bear a large share of the burden, raising and educating half the population of Israel's children. Since 80 percent of these families are of Asian and African descent, there is a clear coorelation between ethnic origin and social class.

Question: Isn't this a kind of war between classes?

The President: It's not a war between classes. It is rather a problem of one large class more afflicted with material and other difficulties than others. Their problems include, among others, crowded living conditions, low income and low educational levels. Herein lies the root of the problem. No one created it. It was generated from within, inasmuch as every Jew coming from the Diaspora represents more or less the average level from his country of origin.

Question: Mideastern Jews don't have a monopoly on poverty and social strife.

The President: Real poverty does not exist. But the strife I spoke of and its prevalence among large families dates back to the 1950's, with the arrival of the large immigration waves. The starting point from transit camps into a better life was equal, more or less, for everyone. There were immigrants from Poland, Romania and Morocco in the transit camps. They all started out together, under the same conditions. They all wallowed in the same mud in the winter and suffered the same summer heat in their tin huts. But when they started their lives outside the camps, the situation of a family with one or two children was different than that of a family blessed each year with another child. This stems of course from tradition which dictates that a large family is a positive thing, that "Your wife is like a grape vine bearing fruit in your home, your sons like olive trees around your table." Now the question is how these numerous children can be part of the integration process, the ingathering of exiles, when they live in homogeneous population concentrations, such as Rosh-'Ayin which is all Yemenite. In places like that there is no possibility of integration.

The parties' guilt

Question: The official absorbtion policy in the past was based on the establishment of homogeneous settlements. I believe that the new immigrants themselves

wanted to maintain the social character of their homeland and rejected attempts to place them among other ethnic groups. Was this concept misguided?

The President: There is some fault to be found with the old absorption policy, but again, the decisive factor in the final analysis was the social process. Many immigrants from Eastern Europe left these places. Many waves of immigration passed through Hatzor in the Galilee. In the end, 6,000 Tunisian immigrants were concentrated there. It's a very pleasant town but it affords no possibility for integration. Yeruham, in the Negev, also went through many changes. At first there were more Romanians than Moroccans. With time, the Romanians left and the Moroccans remained. But we shouldn't be too quick to draw conclusions. For the time being, I'm just establishing facts, getting the picture straight and examining the processes. A look at the near future has me very worried, and as you said, the elections proved that there is reason to worry. During the elections, candidates of Mideastern extraction were careful to emphasize their Mideastern origins in the hopes that this would increase their chances of being included on the party list. All of a sudden, someone remembered he was Yemenite, Moroccan, Iraqi, Kurdish or Gruzinian. To gain a position on the party list, the issue was blown out of proportion. The worst of it all is that it doesn't end there, because this leads to a Knesset member feeling as though he represents a particular group instead of being a representative of the people. Unfortunately, the parties are also guilty of encouraging this phenomenon based on a belief, which I feel is misguided, that a representative from a particular ethnic group on the party list will draw votes from within that sector. Experience has shown that this is false. In my opinion, the Mideastern population will see a man of Mideastern descent as their representative only if he can cross the Rubicon and become accepted by the entire population. Some leaders have done this.

Question: Do you blame our politics for the deterioration of inter-ethnic relations?

The President: Our parties, yes, to a certain degree. But I said that my concern is only for the near future. Looking at the more distant future, I'm optimistic. I'm almost convinced that within 30 years there will no longer be a direct correlation between social class and ethnic origin. I see the most important factor contributing to solidarity among the people as inter-ethnic marriages. The trend is clear and encouraging. Ten years ago only 11 percent of all marriages were mixed. This year, the figure was 23 percent. Almost one-quarter of all marriages are now inter-ethnic, and the trend is growing. Why? Because the educational differences among young people are disappearing. A growing number are receiving a high school education. A boy meets a girl and what draws them together at first is the ability to converse at the same level. Sometimes they meet in the army, or in a social circle where education is the key to being included. I'm a firm believer that it is in the nature of man for opposites to attract. There is an attraction between people of different skin color, hair color and life style. Add to this a common educational base and the result is always encouraging. This is the basis for my optimism. And what's more, today there are already around a million Israeli-born children for whom ethnicity is not central and would not be if not for party compulsions or other outside elements who insist on mentioning the subject from time to time.

Question: I heard an original complaint from one of the typesetters on our staff. "Why," he wanted to know, "do they ask our children in the schools to record their country of origin? Along comes a child who saw himself as Israeli for all practical

purposes, and he starts asking all kinds of questions. Daddy, what is our ethnic background? I tell him. He goes back to class and suddenly discovers that there's a difference between him and the child he shares his bench with. What's the good of it?"

The President: Most forms and statistical reports do require this for research purposes, although sometimes I think the price one pays for research does not justify its benefits. I don't abide the surveys and public opinion polls that ask all kinds of pointless questions and later publish a cross-section of responses: x number of North African immigrants, low educational level, low income; x number of European and American immigrants, high educational level, high income. What is the relevance of these figures? They ask: Who could you choose for prime minister, foreign minister, defense minister? And this is always followed by a breakdown of respondents. The whole thing is superfluous, if not harmful. I once asked Professor Roberto Baki to give me his opinion on the need for such surveys. Professor Baki replied that the data are required for research purposes, and that they provide a picture of who's supporting whom. One just needs to know how to use the information. He claimed that the data can be quite essential when studying ethnic heritage. People shouldn't ignore their identity or be ashamed of their origins or their parents' background. They shouldn't cut themselves off from their roots.

But I want to return to the heart of the issue we're discussing--my optimism regarding the more distant future. I frequently visit development towns to lead discussion groups with young people prior to their IDF service. In my opinion, these young people do not have the same faults as their peers in Jerusalem, Tel Aviv or Haifa. Also, when I go into an elementary school classroom, in Dimona for example, I see students working math problems on calculators and answering important questions that I would fail to answer. I know that these achievements must be measured on a special scale: a great deal of effort has been expended over several years in most of these development towns to bring these children further than their fathers or grandfathers in terms of education and opportunity. The real problem today, as far as I'm concerned, is concentrated in the suburbs, in sections of big cities and on established moshavim. In such places, the repercussions are ten times stronger because the gap is more visible and invites a more immediate response. In development towns, as I've mentioned, the situation is better. The decisive factor for the future lies of course in creating appropriate employment opportunities for the young intelligentsia that has cropped up in these areas.

Question: Certain aspects also depend on the development of new leadership.

The President: Some well-known leaders started their public careers basically on a small local scale. The problem is that there are those who can't free themselves from their ethnic orientation and never act as representatives of the people. When they're finally elected to public office or to some political position they see an obligation to work only in a narrow ethnic framework, as if the social problem was ethnic instead of national. Recently I met here with a few representatives of Mideastern extraction. I said to one Knesset member among my guests: I hear you talking all the time about eliminating milk subsidies. And all the while I'm wondering why I don't hear your opinions on autonomy, for example. Is autonomy a purely Ashkenazi issue?

Question: What did he respond?

The President: He told me that no one asks him about autonomy. Of course they don't ask him, because he has demonstrated his insecurity and inability to serve as a leader outside his ethnic community. But I believe that even in the area of leadership, the Israeli society is on the right track. The IDF serves as an important indicator in this area. I'm referring to the number of officers from Mideastern backgrounds who are moving up in the ranks. Why is this an important indicator? Because in the army there is no favoritism, and if there is, it's on a personal basis. In principle, I agree with the idea that advancement in the IDF is based on ability. No one would endanger his son's life due to ethnic considerations. When you're talking about life and death, everyone would agree that the best officer should lead the troops in time of war. Take for example a group of North Africans and tell them: "We have one officer qualified to be your battle commander, but he's Ashkenazi; and we have another officer who's less qualified but he's one of ours, he's North African." There is no doubt in my mind who they'll choose, in whose hands they'll place their sons' lives. Ability and skill will be the decisive criteria. Notwithstanding, I see a growing number of officers from Mideastern backgrounds reaching higher ranks and I know that we are witnessing an encouraging phenomenon, because the criteria are objective.

The same objective standards are used when a soccer team is being put together. The organizers and the fans have but one goal: to win the game. There's no fooling around and no one would allow the formation of a team based on ethnic considerations, for example. The audience in the stands is continually judging who's good and who isn't, be he Ashkenazi or Moroccan. Who cares? They just have to score goals!

Question: From what you've said I gather that in those instances where the people themselves are the judges, the ethnic factor is less weighty.

The President: That's true.

Question: But the problem gets worse when politics come into play?

The President: Also true, although I don't suppose that any party is really interested in being identified with only one ethnic group.

Question: Mr President, you've emphasized the mature judgement of the public, the equal opportunity given to young people in development towns, the growing number of inter-ethnic marriages and you've indicated that you're optimistic insofar as the future is concerned. Where is the problem then? Is it only in political circles?

The President: No. In the final analysis, in my opinion, something else is crucial: self-image. I don't want to minimize the importance of housing, employment or income. But there are many people in economic straits who nonetheless see themselves as capable leaders and managers. On the other hand, many Mideastern Jews with an education, with sufficient income, and with pleasant housing have something wrong inside. Yes, the problem of self-image is central to the issue. The way a man looks at himself dictates his life. Of course, we can't ignore the fact that self-image is influenced by social relations. And society is not always kind. Many people have accepted the judgement of society. When they hear terms

like "underprivileged sectors," "neglect," "primitive," "poor things," and "distress," they develop an uncanny ability to internalize the image. And if they belong to a so-called backward group, they live with the feeling that they have nothing to give, that they can only receive. That's how we've developed the feeling that we have to give them things, provide them with opportunities, develop them, move them along and budget for them. Just stop and think for a minute. How long can you live with the feeling that you can only take but have nothing to give in return? The result will be either passive acceptance or violent outbreaks.

Allow me to exemplify the situation with a story about Cain and Abel. Both sacrificed and paid hommage to God, and the Lord paid heed to Abel and to his offering, but to Cain and his offering he paid no heed. So Cain rose up and killed his brother. What actually happened here? One worked the land, the other was a shepherd. What one served, the Divine Presence rejected as undesirable. That could frustrate anyone and this frustration could cause violence. Much of today's violence is due to frustration, largely caused by the fact that one can't live with a feeling of incompetence, that certain people have nothing to contribute. That's why it's so important to develop the value of the Mideastern heritage and to encourage their contribution to the development of Israeli society and the growth of the country,

Question: These frustrations, they keep telling us, are the result of discrimination. Does discrimination really exist? In your opinion, Mr President, do the Mideastern Jews in our society have equal opportunity?

The President: With the proper skills, I think they do. To the best of my understanding, the echelon which makes decisions and establishes policy--i.e. the government--never legalized discrimination. This holds true for all governments of Israel, and all coalitions. But at lower levels a different reality sometimes exists. Usually, a man in a certain position hires others to work with him. Because the administration, at least at the beginning, was principally built by people from middle and eastern Europe, the result is what you would expect. It's so very simple. You just need to know who to call, whose favors to avail yourself of in order to acquire a position. The administration perpetuates and strengthens itself with people close to it. This works in both directions. The Israel Discount Bank, for example, employs mostly Mideastern Jews. There is something almost unavoidable in the fact that people always surround themselves with and place their trust in others like themselves. Who wants to get involved with unknowns or run a risk by employing a stranger when a known entity can be hired, someone who has been recommended, perhaps someone with a common denominator?

The Weakness of the Rabbinate

Question: Mr President, the Israeli society is not only divided on Mideastern and Ashkenazi lines, but also by secular and religious Jews. Just as the elections for the 10th Knesset pulled the plug on inter-ethnic rivalries, the archeological digs south of the Temple Mount stimulated latent antagonisms. It also created the impression that the radical religious and Zionist groups have the upper hand. Do you concur with this evaluation of the situation?

The President: When we discussed ethnicity I said that I'm very worried about the short term, but optimistic insofar as the long term. As far as the issue you've

just raised, I'm afraid the order is reversed. I worry about what's happening now, but I'm more concerned about the future. If my judgement is sound, social trends in this area do not allow for much optimism.

In contrast to what's going on in the ethnic sectors, I see no integration process at work among religious groups. In fact, all we can hope for is co-existence in peace and tolerance. That's what we have to strive for. That's what we have to pray for.

Question: Can only believers pray?

The President: We are all believers in one way or another. Fortunately, not all believers tie their beliefs in with politics, nor do they all profess the assumption that he who is religious votes for a religious party. There are religious people who support other parties, from the Alignment to Tehiya. These people see their faith as a matter between man and God or between a man and himself. Anyone who espouses this view has no need to express his religion through a political, party outlet. But I also see processes at work which are intensifying the separation between religious and secular groups. The basic dispute between Zionists and non-Zionists in the religious camp has not ended. To the contrary, it is getting worse. The concept on which Zionism founded the State is opposed to the spirit of Judaism. This concept is spreading and becoming stronger. According to tradition, the sons of Israel promised not to cross the wall and not to revolt against other nations. This concept lends itself to several interpretations and readings: not to immigrate to Israel, not to wage war, not to revolt against other nations. These interpretations are the subject of much profound dispute within the religious sector. Only the religious people themselves can argue the point among themselves.

Question: Without referring to the content of the internal dispute within the religious sector, I can't remember that any past government depended on the favors of non-Zionist religious groups.

The President: I don't want to deal with the subject the way you've worded it. I don't want to mention specific parties, this government or any other. I am prepared to express an opinion about the groups themselves and the trends we've witnessed. I feel that religious Zionism has weakened and is no longer involved in a stubborn struggle with anti-Zionist religious groups. I don't hear the ideological arguments I would like to hear. Religious Zionism played a central role in the Zionist movement throughout the Jewish world. It was up to the religious Zionists to struggle against their opponents and not stand on the sidelines. I'm aware of the difficulties inherent in this struggle, because the non-Zionist concept was supported by some of Israel's greatest for generations.

Question: Would you agree that recent developments following the digs in area C revealed the weakness of the Chief Rabbinate which in the past had been considered a religious-Zionist institution? Is it possible that the political weakening of the religious-Zionist camp will have repercussions at a conceptual level, and that religious-Zionist institutions will want to "align" with the more extremist factions so as not to lose their support?

The President: I've already said that the religious-Zionists' position has weakened and that the power of other groups, who do not define themselves as Zionists has

increased. I don't want, for pity's sake, to find fault with them or express a negative opinion about them. They are Jews who believe in their ways, settlers who are raising their children in Israel. They attend Yeshivas and study the Bible according to their understanding and concept. This does not mean, however, that Zionism does not have a penetrating argument with them. The Chief Rabbinate could have a strong, independent role to play in this dispute, on the side of the Knesset and the constitution--at least as long as the ideological Zionist position remains strong. The chief Rabbi is not acting in a vacuum. He needs the kind of public support he received in the past from the religious Zionist party.

The dominant national trends in this area will demand great spiritual strength and a mutual readiness to conduct bilateral discussions in the future. The goal will be to prevent a schism which might create a crisis. I regret that I don't see trends on the horizon indicating a satisfactory resolution of these problems.

9811
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ANNUAL ECONOMIC, POPULATION STATISTICS GIVEN

Tel Aviv HA'ARETZ in Hebrew 5 Nov 81 p 4

[Article by HA'ARETZ correspondent for economic affairs: "The New Statistical Annual Reveals: The Balance of Immigration to Israel is Negative"]

[Text] The balance of immigration to Israel in the last few years has been negative. The number of immigrants was reduced this year to 11,000 people, which is among the lowest in Israel's history except for the year 1953. The decline is still continuing at a high rate. This was revealed yesterday by the government statistician, Dr Moshe Siqron, upon the appearance of the new statistical annual for the year 1981. It also turned out that the tendency for a decline in marriages, a rise in divorces and a decline in the birth rate is continuing. The population stands today at 3.971 million persons, and is expected to number 4 million by May of next year. It was also reported that the next census in Israel will be in the year 1983 and will last 6-8 weeks.

The emigration estimate for this year comes to 20,000 people as compared to 33,000 in 1980 and less than 10,000 in 1979. Since the establishment of the state, it is estimated that about 300,000 people have emigrated from Israel.

The annual reports that after 5 years of marriage, 6 percent of the couples in Israel divorce, after 10-15 years 10 percent of the couples. Inter-ethnic marriages comprise 20 percent of all marriages.

From the central office for statistics, it also turns out that the citizenry's real net salary will rise between 7-10 percent. This after it rose at a net rate of 15 percent the first half of this year, as compared to a similar period last year. Similarly there has been a growth of 18 percent this year in retail sales over 1980. As many durable goods were sold in the first half of this year as in all of 1980. According to estimates, private consumption will increase this year by about 8-9 percent. This after a decrease of 3 percent in 1980.

At the end of this century Israel's population will be 5.5 million. This, on the assumption that the tendencies noted in recent years towards a natural increase in immigration and emigration will continue. Thus the population will grow by 1.6 million people as compared to the 3.922 million at the end of 1980. Of the total population in the year 2000, there will be, according to the forecast of the central office of statistics, 4.3 million Jews and 1.2 million non-Jews--an increase of 30 percent in the Jewish population and of 90 percent in the non-Jewish population.

In the last decade, since 1970, Israel's population has grown by about 900,000 people of whom 700,000 are Jews and 200,000, non-Jews. Among the Jews 30 percent of the growth was the result of the balance of immigration and the rest, of natural increase (the surplus of births over deaths). Among the non-Jews almost all of the growth is a result of natural increase.

In his summary to newsmen, the government statistician explained the relatively reduced growth in the country's population in the years 1980-1981 as the result of reduced immigration to Israel, the reduction in the birth rate and the negative balance of movement of Israeli citizens within the borders of the state. Nevertheless it should be noted that according to the initial figures of the central office of statistics for the first ten months of 1981, the gap between the number of residents leaving and entering will narrow in 1981 as compared to 1980.

As to the decline in the number of births (94,300 births in 1980 as compared to 95,600 births in 1975), the new statistical annual reports that in 1980 there were 24.3 births per thousand people among the population of Israel as compared to 27.7 in 1975. This decline is similar among the Jews and the non-Jews even if it occurs at different strengths: among the Jews the birth rate dropped during the period surveyed from 25.0 per thousand to 22.0 and among the non-Jews, from 43.0 to 36.5 per thousand.

The overall fertility rate (the number of children that a woman is expected to bear during her lifetime) dropped among the Jewish population from 3.4 children in 1970 to 2.8 in 1980. In recent years the difference in fertility rate among Jewish women of different ethnic backgrounds has been greatly reduced.

As to the non-Jewish population: while among the Christians there were similar birth rates to those among the Jewish population (3.6 births in 1980 and 2.7 in 1980), a considerable decline was noted in the overall birth rate among the Muslim population from 8.9 children per woman in 1970 to 7.7 in 1975 and to 6.0 children in 1980.

From the statistics included in the new statistical annual, we find that the number of marriages among the Jewish population declined from 28,600 in 1975 to 24,700 in 1980. The rate of marriages per thousand people in the population dropped from 9.7 per thousand in 1975 to 7.6 in 1980. The decline in the number of marriages results in part from changes in the age distribution of the population. The age cycles in which the marriage rate is generally the highest (ages 18-24) have lessened in recent years to the point where there is a decided drop in the total number of married couples from year to year. The decline also stems from changing attitudes toward marriage.

In the same years a certain increase was registered in divorce rates. From the data of the central office of statistics we learn that within 15 years from the time of marriage, almost 10 percent of the couples divorce who were married in Israel, and there are signs of a tendency towards an increase of one percent.

In the year 1980, 1.318 million people belonged to the civilian work force, 15 percent more than in 1975. It should be noted that the number of women in the work force grew in the period surveyed by approximately 26 percent and the number of men, by only 9 percent. The proportion of women in the work force reached 37 percent last year.

In 5 years (1975-1980) the number of employed in Israel rose by about 11 percent, but in financial and business services, the increase was approximately 39 percent, in public services about 22 percent, and in industry only 7 percent. The number of people employed in construction dropped in the period surveyed by 12 percent. It should be noted that the number employed in government administrative services grew in the 5 years surveyed by only 7 percent, and most of the growth was in educational services, health services and the administration of local authorities.

A special chapter in the new statistical annual is devoted this year also to the various statistical surveys carried out by the central statistics office in the occupied territories. Thus it is noted, among other things, that of the total number of people belonging to the work force in the occupied territories in 1980, about 72,000 were employed in Israel (they constitute 34 percent of the work force in the territories). It should be noted that these workers constitute 5.4 percent of all people employed in Israel. Forty-eight of the residents of the territories that were employed in Israel in 1980 worked in the construction sector, 21 percent in industry and 14 percent in agriculture.

The average salary for wage earners in 1980 was higher in real terms by 21 percent over 1975, but lower by 3.2 percent than in 1979. Data for the first half of 1981 point to a real increase of about 12 percent in this period as compared to a similar period in 1980. While in 1970 the women's wages constituted only 11 percent of gross family income, in 1980 the women's portion rose to 15.5 percent of gross family income. The annual notes that the portion of income which does not derive from work, such as: pensions of various kinds, property, interest, financial dividends and relief has more than doubled over the last decade. The share of these kinds of income reached 9.6 percent of average family income in 1980 as compared to 4.6 percent in 1970.

Approximately 33,000 families, who made up 3.7 percent of all urban families in the year 1979/1980 owned a deep freezer; 2.6 percent of the families owned a dishwasher; 34 percent owned a color television set; 87 percent of all families owned a black and white television; 61.5 percent of all families had a telephone, and 36 percent had a private or business car.

In addition, 8.3 percent of the families in 1979/1980 had central heating in their apartments, and another 4 percent had apartment heating. A portable kerosene heater is used to heat the apartments of one out of three families in Israel, and a gas heater by 21.6 percent. An electric or portable radiator is used by 14 percent, and a fixed solar heater by 5.3 percent of the families. It should also be noted that nearly one out eight families has air conditioning. Electric hot water heaters are used by about 48 percent of the families and a solar heater by nearly 42.5 percent.

Net local agricultural produce grew in the year 1979/1980 by 5.3 percent as compared to the preceding year. In that same year, Israeli farmers produced more than a quarter million tons of wheat, 607,000 tons of vegetables, 172,000 tons of potatoes, 1,543,000 tons of various kinds of citrus fruit (of which 855,000 tons was exported abroad), 200,000 tons of poultry, 40,000 tons of beef, 670,000,000 liters of cow's milk and 1,614 million eggs.

To produce at this level, the farmers needed to purchase input at a considerable level. Thus, for example, in fiscal year 1978/79, the agricultural sector consumed 1,327,000,000 cubic meters of water--close to three-quarters of the country's entire water consumption. Likewise in 1980/81, 1,579 thousand tons of concentrated fodder mixture for livestock were sold to agriculture. The agricultural sector also purchased 41,000 tons of nitrogen fertilizers, 17,000 tons of phosphorus fertilizers and 22,000 tons of potassium fertilizers.

It is reported in the new statistical annual that in the agricultural year 1979/80, the area under cultivation reached more than 4.25 million dunams of which more than 2 million dunams are under irrigation. The number of people employed in agriculture reached 87,300, and the number of farm tractors was about 27,000.

After a continuous annual increase during the last decade in industrial production (in fixed prices), for the first time, in 1980 a decline was registered of 3 percent as compared to 1979. Nevertheless the central office of statistics notes that in the first half of 1981 the rate of industrial production rose by 8-9 percent in comparison with the first half of 1980.

It also turns out from the data of the new statistical annual that the number of positions in industry in plants that employ wage earners, apart from the diamond industry, totalled 276,000 people in 1980. Seventy-one percent of all those employed in industry were employed in the private sector, 17 percent in the public sector and 12 percent in the Histadrut industrial sector.

The number of active publishing houses in Israel in 1979/80 was 213. About a half of them published less than 10 books in that year. More than one-third of the books that appeared in 1979/80 were printed by "intermediate" publishers, each of whom put out between 10 and 50 books that year. About 4900 books in various languages were put out in 1979/80, about 60 percent of them in a first or republished edition, including about 500 government publications. Textbooks for primary and secondary education constitute about 23 percent (989 books) of the total books published, and only about 4 percent of them appeared in a new or republished edition.

The statistical annual reports further that almost 4400 books that were published (except for the government publications) were printed in 15 million copies, about half of them in a first or republished edition and the rest in regular edition. The average copies per book in 1979/80 was 3500. Books in a first or republished edition were printed in an average of 3200 copies. Regular printings were put out in a larger number of copies--an average of 3800.

Approximately a quarter of the Jewish population between the ages of 25 and 59 were active in one or more branches of sports at least once a month in the period from October-December 1980. There is a considerable decline in sports activity only at ages 60 and above (13 percent). Exercise is the most popular branch of sports. In every age group from 25 and above, 10 percent exercised at least once a month. Next come swimming and light athletics with about 7 percent participation for each. A considerable portion of sports enthusiasts 25 and older tend to vary their activity by engaging in two or more branches of sport: 43 percent of the men as compared to 35 percent of the women. This tendency declines with age.

About 702,000 cases were brought to court in 1980, of which 202,000 were civil actions, half of them financial matters, and about 500,000 criminal cases of which about half (246,000) were traffic violations which did not cause accidents. Among the 869,000 cases that were being handled in court in 1980 (including cases brought the previous year, as well), about 685,000 or 79 percent were cleared up by the end of the year.

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AIRCRAFT INDUSTRY REPORTS EXPORTS

Tel Aviv DAVAR in Hebrew 10 Nov 81 p 11

[Article by DAVAR's economic correspondent: "Aircraft Industry Exports Will Grow This Year to \$575 Million"]

[Text] Aircraft industry exports will grow this year by more than \$200,000,000 to a record \$575,000,000 as compared to \$350,000,000 in the previous year, according to updated figures from the concern.

The new increase in aircraft industry exports stems primarily from the success in exporting the firm's military products and from the signing of big deals that faltered in the past over political difficulties.

Despite the criticism levied on the aircraft industry regarding its manufacture of the 'Arava plane, the concern has no intention of withdrawing from the production of this plane. Updated calculations that were prepared by the aircraft industry's management, and which will also be presented to the Knesset's state criticism committee, should a discussion be held in it on the findings of the critic, show that by the production of the 100th 'Arava plane, the aircraft industry can expect a profit of \$100,000,000.

Aircraft industry management notes that most of the approximately \$50,000,000 loss which was noted in the state critic's report as due to the production of the 'Arava plane, had already been noted in previous reports of the critic's office. With the appointment of the present directorate, management faced the choice of completely stopping production of the 'Arava, or of using the investments already made and the supply of parts and planes in process to continue production. Ex post facto this decision was justified.

The continuation of production of the 'Arava plane will bring, as said above, a profit of \$17,000,000 by the 100th plane, while the cessation of production would involve the sale of the parts and planes in process at a negligible price, with the loss of all the investments that were made in research and development and in locating new markets for the plane.

The management of the aircraft industry holds quotations from 1977 sessions of the state criticism committee and from Knesset finance committee sessions of 1972 which praise the decision of the aircraft industry to begin producing civilian planes, as a means of raising the technological capability of the company. These quotations were taken from committee sessions at the time that they were discussing previous reports of the office of the state critic in which the production accomplishments of civilian planes were raised.

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SURVEY OF OIL EXPLORATION TO BE RELEASED

Tel Aviv DAVAR in Hebrew 10 Nov 81 p 11

[Article by DAVAR's economic correspondent: "Many Oil Exploration Programs"]

[Text] The outlook for the issuance of stock options that is to be issued shortly by the firm "Paz Oil Explorations" gives a broad survey of the principal drilling sites that are active today in Israel and the activities that were carried out or are planned in them.

"Paz Oil Explorations" is in fact a partner today in most of the active oil drilling permits, while most of the other corporations that are active in this area are also partners, in different proportions in the same permits. Details about oil rights and permits in which a company has an interest give a comprehensive picture about what is going on today in the oil exploration area in Israel.

The other companies that are partners in the sites listed, besides "Paz Oil Explorations," are generally: the Paz Consortium for Oil Exploration (PCOE), Lapidot, Nafta, Fedoil, Bank Le'umi, Hevrat Deleq, and in certain permits also Abjack Energy Corp from the U.S. and additional foreign companies.

Below is the oil drilling situation at the various sites:

Petah Tiqvah--Recently a seismic survey was made in the area of the city of Petah Tiqvah. The results of the survey are being deciphered.

Gedera--A reevaluation was made of seismic surveys done in the past together with geologic information acquired from drillings in the area of the permit and its environs. The goal of that evaluation was to site a test bore in the geologic structure of Gan Yavneh.

Betarim (by Be'er Sheva')--In the light of geologic information that was acquired in the past and Betarim drilling no 1 in which signs of gas were found, a reevaluation is now being made of the prospects for finding oil and gas within the scope of this permit. The implementation of an additional seismic survey is planned which will include, apparently, areas across the green line which seem to constitute an organic part of the geologic structure of the Betarim area.

Ashdod (excluding the Shiqmah enclave)--Within the holding are two drillings (Ashdod 2 and Ashdod 5) which produce oil in small quantities. There is also (in

Ashdod Gas 1) a small reservoir of gas at a depth of 3125 meters. From this reservoir it would be possible to produce an overall quantity of gas equal in calorific value to about 8000 tons of crude oil. The commercial exploitation of this reservoir is dependent on additional discoveries of gas of this type or larger in the adjacent areas (see below in this chapter the paragraph on "partnership in discoveries").

The permit holders are planning an additional drilling, Shtulim 1, to the oil reservoir that is located in wells number 2 and 5. The partners are processing seismic information which concentrates on the possibility of the existence of a suitable geologic structure for checking the southern part of the holding. They are, furthermore, planning a drilling with the purpose of increasing what is known about the above-mentioned gas reservoir.

4. [sic] The Shiqmah Enclave (within the Ashdod holding)--Within the enclave a number of shallow bores have been drilled. In one of them a natural gas reserve was found. The territory of this enclave constitutes one geologic unit with the territories of the permits of Kisufim, Nir Yitzhaq and the Gaza licenses; therefore exploration activities are planned for these areas together.

Shivtah--A partner in this permit until recently was Vista Oil Co., Inc. from the U.S. which was the operator of the partnership. Vista told its partners in October, 1981 that it was giving up its rights in the permit, and as result ceased to be the operator of the partnership. Vista's rights will be transferred to HNH [abbreviation unknown, the first two letters probably stand for Hevrat Neft, 'oil company'], and afterwards the other partners would be able to acquire, if they wish to, a part of the rights transferred to the above-mentioned HNH.

The Massada Enclave--In Massada drill number 1 which was drilled in the past showed many signs of oil, but not in commercial quantities. These oil phenomena are now being studied and evaluated with the intent of siting an additional drilling--Massada number 2. Recently negotiations have been going on between the permit holders in the enclave and Tepco Oil Co., Inc. of the U.S. on the matter of granting certain rights to Tepco in the enclave.

The Diqia and Succot Enclaves--Because of the expected evacuation of the northern Sinai area in the wake of the Camp David accords, no further exploration activities are planned in these areas.

The Huleh Valley--The area of this permit is located in the Huleh Valley in which there are known phenomena of natural gas in connection with the layers of peat that are found in the subsoil of the valley. In shallow drillings that were done in the past that were not in the framework of oil exploration, natural gas escape phenomena were found (mostly mixed with water) to the surface.

Up till now the partners in this permit have drilled two drillings: Notrah 1 and Notrah 2, and a third drilling Notrah 3 is now being implemented. In the Notrah 1 drilling a small natural gas reserve was found. Soon the well will be connected to Kibbutz Conen and will supply it with gas for its needs. In the Notrah 2 drilling, too, gas phenomena were found. The commercial significance of the gas phenomena in the Notrah 2 and 3 drillings is not yet known; a plan is now being prepared for examining the possibilities for the commercial exploitation of the gas dissolved in water in the Huleh Valley. This program is likely to include a number of additional drillings.

Tzuq Tamrur--Within the territory of the enclave the Tzuq-Tamrur drilling number 1 is being implemented. The drilling has reached its final depth--2742 meters. A number of signs of oil and gas were found in the drilling, but their commercial significance will only become clear after pumping tests are carried out in them.

The 'Af'ah Permit (in the territory of Dimona)--In 1963, Nafta drilled in this area the Barbur 1 drilling in which were found signs of gas. This drilling was abandoned. Recently a seismic survey has been made in the area of the permit, and according to its results, a place will be fixed for an additional drilling with a goal of checking the gas phenomena that were found in the Barbur 1 drilling.

Sa-ad--Relying on seismic surveys that were done recently and the reprocessing of surveys that were made in the past, integrated with geologic information that was acquired from drilling, there seems to be a possibility for gas reserve explorations at shallow depths within the territory of the permit. Discussions are now being held among the permit partners about drilling two additional shallow bores within the territory of the permit.

Netanyah--In the wake of the finds in the Ga'ash 2 drilling, which was abandoned as dry, a reevaluation is being made of the prospects for finding oil and gas within the territory of the permit.

Har Huld (beside Massada)--As a result of a geologic mapping of the surface of the area, a suitable geologic area was located for drilling. The goal of the drilling is to check the layers which are similar to the layers which produce gas in the gas fields by 'Arad. The start of the Har Huld 1 test drilling is set for the last quarter of 1981.

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ISRAEL

BRIEFS

GOVERNMENT R&D BUDGET--The budget branch of the treasury ministry has decided to increase the budget this year for support of industrial research and development initiatives by 33 percent, from 300 to 400 million Shekels. This was reported by the chief scientist of the ministry of industry and commerce, Prof A. Lavi', at a symposium which was held yesterday under the auspices of the Israel industrial center for research and development on the topic "Research and Development for the Advancement of Industrial Technology." This was the first time in the last 5 years that government participation in the research and development industry will be raised in a real sense, hand in hand with a promise for an additional increase next year. In his talk to dozens of investors and industry representatives from abroad, the chief scientist said that this year \$20,000,000 were invested in the research and development industry in Israel, and that one can expect that by the end of the fiscal year the investments will reach a total of \$60,000,000. [Text] [Tel Aviv HATZOFE in Hebrew 12 Nov 81 p 4] 9794

CSO: 4423/52

PROCEEDINGS, SPEECHES IN NATIONAL ASSEMBLY'S OPENING SESSION REPORTED

Kuwait AL-QABAS in Arabic 21 Oct 81 pp 8-9

[Article by Husayn Salamah: "National Assembly Resumes Parliamentary March and Begins New Session; His Highness Amir Urges Vigilance and Alertness Toward Interaction of Events in Area; Boundless Cooperation Among Authorities Is Must Under Current Circumstances; Crown Prince: Kuwait's Internal and External Security Is Government's Most Important Preoccupation; Assembly Elects Jasim al-Saqr to Foreign Affairs Committee by Majority of 51 Votes; Country's Amir: National Unity Above Narrow Jingoism; Shaykh Sa'd: Kuwait Will Continue to Be Messenger of Cooperation to Unite Ranks, Mend Rift and Eliminate Disagreement; al-'Adasani Asserts National Assembly Will Deal With All Issues Connected With Kuwait's Safety; Jasim al-Khurafi: It Is Necessary To Plan Time in Manner Compatible With Assembly's Agenda; Salim al-Hammad Elected Secretary and Falah al-Hajraf Controller of Assembly"]

[Text] His highness the amir has warned of the interaction of events in the Arab area generally and in our area in particular and has urged vigilance in the face of these events.

In the august speech with which he opened the second session of the National Assembly's fifth legislative season, his highness said that these events make boundless cooperation between the authorities and keeping national unity above narrow jingoism musts in these delicate circumstances.

His Highness Shaykh Sa'd 'Abdallah, crown prince and chairman of the Council of Ministers, has asserted that Kuwait's internal and external security is the government's most important preoccupation under the present circumstances.

In his speech to the opening session, his highness promised that the government will persevere in developing its security policy to deter the various forms of aggression.

His Highness Shaykh Sa'd also pointed out the tangible results of the visit of his highness the country's amir to the Balkan states and asserted that Kuwait will continue to be a messenger of cooperation in our Arab and Islamic world in order to unite the ranks and to confront the pboeems, primarily the Palestinian issue. He also said that the Gulf Cooperation Council will have a role in coordination among the Gulf states in particular and the Arab and Islamic states in general.

Muhammad Yusuf al-'Auasani, the National Assembly speaker, then delivered an address in which he thanked his highness the amir on behalf of the Assembly for opening the Assembly's new session. The speaker promised that the Assembly will shoulder its full responsibility to deal with matters concerning Kuwait's security, safety and supreme interests.

The Assembly elected a secretary, a rapporteur, members to the eight standing committees and members to the temporary committee to draft the reply to the amir's speech.

The phenomenon worth noting during the Asseembly's elections is its unanimous election of Deputy Jasim Hamad al-Saqr to the Foreign Affairs Committee by 51 votes. Some circles of the National Assembly have noted that this is the first time the assembly elected one of its members by such a unanimous margin.

Address by Hig Highness the Amir

His highness the country's amir arrived at the National Assembly building a approximately 0900 where the reception committee, headed by Speaker Muhammad al-'Adasani, was awaiting him. The national guard band played the national anthem and hig highness then assumed his place on the Assembly dais. The crown prince and chairman of the Council of Ministers sat to his left and the National Assembly speaker to his right.

His highness then opened the Assembly's new session with the following august address:

Brother members of the National Assembly,

In the name of the Almighty, with His help and with the success He grants, we open today the second session of the fifth legislative season. On this occasion, I address to you a greeting of appreciation for the efforts you exerted in the last session, for the work you accomplished and for the positions you took toward the internal and external issues--positions that highlighted the cooperation between the two legislative and executive authorities.

Brothers,

It was with success from God that our dear homeland continued to expand its international activities out of its faith in the safety and security of the Gulf and out of its solidarity with and belief in the policy of nonalignment and international cooperation based on mutual respect. This policy has had its good effects at the local and international levels.

National Unity

Brothers,

Events in the Arab area in general and in our area in particular have begun to interact in a manner that requires all of us to be alert to these events and to be able to close all the gaps those with ill will toward our country may try to exploit, thus responding to the command of God, may He be praised: "O ye faithful, beware."

This makes boundless cooperation among the various authorities and keeping national unity above narrow joingoism must in these delicate circumstances.

Kuwait will continue to exert efforts on the good path, cooperating with the Arab, Islamic and friendly countries to turn our spheres, which have been bloodied by conflicts, into spheres shining with fraternity and prosperity.

God, may He be praised, says: "The faithful are brothers. So, reconcile your brothers and have the fear of God and you will perhaps receive His mercy."

May God give you success and plant your feet firmly on the path of good. God's peace, mercy and blessings be upon you.

Al-'Adasani Address

The National Assembly speaker then responded with an address welcoming the amir and thanking him for his kindness in opening the session. Al-'Adasani said:

I and my brother members of the National Assembly are very proud to express to Your Highness our deep thanks and gratitude for your kindness in opening the second ordinary session of the Assembly's fifth legislative season. We shall derive from your address help to strengthen us and to intensify our dedication in performing the national duty to which we have devoted ourselves and our efforts so that we may, under the sound instructions of your highness, serve the trust bestowed on us by the people.

While receiving on this noble day with a high spirit of bright optimism the inauguration of a new session of the National Assembly, the stronghold of democracy that has enjoyed the full attention and care of Your Highness, we reaffirm our resolution to persevere in serious and ceaseless work through sincere cooperation and full response based on understanding between the two legislative and executive powers. We will work with the spirit of a single and loving family for whatever serves the good of our homeland, Kuwait.

With a full sense of the responsibility we have undertaken, with full faith in what we owe the homeland and to realize what the Kuwaiti people, who have honored us with their trust, hope from us, we have resolved to stretch our serious and purposeful looks to the furthest limits of the future and its expectations in dealing with all matters that concern the safety, security and supreme interests of this country, that safeguard its dignity and soil and that guarantee reassurance, prosperity and a comfortable life to its citizens. Your Highness's noble support for the parliamentary life of our country, which enjoys the advantages of the democratic system and Your Highness's precious concern for the country's constitutional entity, is the spring from which the heartbeats of life flow into this system to strengthen its foundations, entrench its roots and give it life and effectiveness. This is why we owe Your Excellency sincere thanks and true loyalty.

May God give Your Highness success in achieving the best that you desire for the sons of your loyal people. May God support you with His spirit, may He give you His aid and care and may He achieve through you the aspirations we all have for our country and our Arab and Islamic nation.

Decree Summoning Assembly

Then the decree summoning the National Assembly to its second session of the fifth legislative season was read. Following is the text of the decree:

After perusing Article 86 of the constitution and in accordance with the proposal of the chairman of the Council of Ministers, we have decreed the following:

Article 1: The National Assembly is hereby summoned to convene its second ordinary session of the fifth legislative season on the morning of Tuesday, 20 October 1981.

Article 2: The chairman of the Council of Ministers shall implement this decree which shall be conveyed to the National Assembly and published in the "Official Gazette."

Shaykh Sa'd 'Abdallah, crown prince and chairman of the Council of Ministers, then left the dais and proceeded to the secondary platform where he delivered the amir's speech. Following is the text of the speech:

Brother members of the esteemed National Assembly,

In the name of almighty God and with His help, we open the second ordinary session of the Fifth legislative season of your esteemed Assembly.

If at the outset of the first session I congratulated you on the people's confidence in you, I now congratulate you at the outset of this session for the efforts you have exerted and through which God enabled you to realize a major accomplishment during the few months of the first session, whether in the sphere of legislation where what was presented was abundant or in the sphere of cooperation with the government to confront the numerous internal and external challenges with which your first session abounded. The Assembly's support and backing for the government during that session had a major impact on strengthening the national ranks and on bolstering Kuwait's positions and policies, which are based on keeping Kuwait as it has always been, a lighthouse of freedom, right and justice, a refuge for Arab and Islamic principles and a stronghold of true democracy.

Kuwait's Security

Brother Assembly members,

Perhaps the most important preoccupation of the government under these circumstances is Kuwait's internal security and its external security amidst these difficult international conditions. The government will persevere in developing its security policy, pursuing all kinds of crime, deterring all kinds of aggression and not relinquishing any of this country's rights.

The government's responsibilities are numerous and diverse. The assembly knows how enormous these responsibilities are and knows the ceaseless and unfailing efforts they require. Perhaps the most important issue currently preoccupying the government at the internal level is that of providing full primary services to the citizens at the standard always determined for us by the ambition of Kuwait's citizens and by their aspiration for the better and the ideal.

His Highness Amir's Trip

Brother Assembly members,

On the external level, the successful trip of his highness the country's amir to the Balkan states has had a tangible effect on enabling us to understand the viewpoints of these friendly countries and on familiarizing these countries in their turn with our viewpoints. This will expand the sphere of rapprochement and cooperation internationally.

Arab Differences

We will continue to be messengers of cooperation and love in our Arab and Islamic world out of our belief in the need to unite the ranks so that we can tackle united our Arab problems, especially the Palestinian issue. The intensifying disagreements between some of the Arab brothers worry all of us and fill our hearts with grief at a time when international conditions require us to be united like a firm edifice in order to be able to confront those laying for us. Kuwait's role in this regard will be the role of the brother and the friend of all and Kuwait will exert efforts to unite the ranks, to mend the rift and to eliminate the causes of conflict.

Cooperation Council

There is no doubt that the Gulf Cooperation Council [GCC] will be successful and will have a vanguard role in coordinating the cooperation and collaboration of the Gulf states in particular and of the Arab and Islamic states generally. This was evident in the first summit meeting of the GCC held in Abu Dhabi 25 May 1981. This summit realized considerable rapprochement and understanding and one of its results was the unified economic agreement approved by the Ministerial Council in the period from 31 August to 2 September 1981. There is no doubt that the second Gulf summit, to be held in Riyadh 10 November 1981, will produce the desired fruit and will have its commendable effects.

Government Program

Brother Assembly members,

In accordance with Article 98 of the constitution, the government has presented to your esteemed Assembly a complete and detailed program for national action during the next 4 years. This program includes the government plan for the various utilities, services and spheres. The government hopes that the Assembly will be able to discuss the plan in its current session because the government is eager to hear the Assembly's proposals regarding this program so that it can realize the people's hopes and aspirations.

Brother Assembly members,

We open this session in a decisive period in the history of our country and of our Arab and Islamic nation, a period in which we face various challenges that require us to shoulder the enormous responsibility compatible with this phase.

I am confident that the constant cooperation between your esteemed Assembly and the government will be an ideal cooperation enabling the government to shoulder its responsibilities and burdens under these delicate circumstances. Moreover, the Assembly will also receive from the government full cooperation and response to enable it to carry out its duties in the best manner. We must all keep in view that our goal and objective is the interest of our beloved country and that this interest must be put above all considerations. Let us all work in unity for the good of our country and our nation. May God protect us with His care and lead our steps on the right path. He is the hearer of our pleas.

Amir's Departure

When the crown prince finished delivering the amir's speech, the amir wished the assembly success and left the hall. He was seen off by the crown prince, the assembly speaker and the reception committee.

Election of Committees, Secretary and Controller

At 0935, his highness the crown prince and the chairman of the Council of Ministers and the National Assembly speaker returned to the Assembly hall and the Assembly resumed its meeting to continue discussing the meeting agenda. Speaker al-'Adasani announced resumption of the session after the Assembly's General Secretariat counted the members and confirmed the presence of a quorum.

The Assembly devoted the second part of the meeting to electing the Assembly secretary and controller and members of the Assembly committees and decided that the committees would elect their chairmen and rapporteurs in the next few days.

Al-'Adasani then announced the start of the election for the post of secretary. Members Salim al-Hammad and Yusuf al-Shahin were nominated for this post.

The speaker selected deputies Muhammad al-Rushayd and Jasim al-'Awn to supervise the vote count. The post of secretary was won by Salim al-Hammad, who received 31 votes to 29 votes for Yusuf al-Shahin. Al-'Adasani then summoned al-Hammad to sit at his left.

The speaker then announced the start of the election for Assembly controller. Deputies Muhammad al-Rushayd and Hayf al-Hajraf were nominated for the post.

Secretary Salim al-Hammad asked to speak and then proceeded to thank the Assembly for electing him and wished Kuwait impregnability under the canopy of his highness the country's amir.

After this short address, the Assembly continued the election of its controller. The vote count was supervised by the secretary and by deputies Mashari al-'Anjari and 'Abd al-Razzaq al-Sani'. The result was that Falah [sic] al-Hajraf won by a vote of 31 to 29 for Muhammad al-Rushayd.

Al-Hajraf then addressed a word of thanks to the Assembly members for their confidence in him and expressed the hope that he would live up to their expectations for the good of Kuwait and its people under the canopy of his highness the country's amir of the his highness the crown prince.

Committee to Draft Reply to Amir's Speech

The Assembly then moved on to elect the committee to draft the reply to the amir's speech and agreed to form this committee of five members. Khalifah al-Jari, Salim al-Hammad, Hadil al-Jalawi, Muhammad al-Barrak and Muhammad al-Rushayd were nominated to the committee and won unopposed.

Interior and Defense

The Assembly then proceeded to elect the members of the Internal and Defense Affairs Committee, consisting of five members. The following 10 deputies were nominated: "abd al-Karim al-Juhaydali, Sayyah Abu Shaybah, Faysal al-Duwaysh, Muhammad al-Qahs, Fayiz al-Buqayli, Hadi Hayif, Faysal al-Qudaybi, Falah al-Hajraf, Hadil al-Jalawi and Yusuf Shahin.

Al-Juhaydali got 33 votes, Abu Shaybah 45, al-Duwaysh 34, al-Qudaybi 29 and al-Jalawi 29.

Finance and Economy

The Assembly then proceeded to elect members of the Financial and Economic Affairs Committee, consisting of nine members. The following 13 members were nominated: Murdi al-Udhaynah, 'Adnan 'Abd al-Samad, Ahmad al-Tukhaym, Mutlaq al-Mas'ud, Khalid Sultan, Khalid al-'Ajran, 'Abd al-Razzaq al-Sani', Jasim al-Khurafi, Khalid al-Jumay'an, Salih al-Fadalah, Faysal al-Duwaysh, Khalaf al-'Anbari and Mutlaq al-Shulaymi. As a result of the vote, the following won:

Al-Udhaynah, with 50 votes; al-'Ajran, 46; al-Jumay'an, 45; al-Sultan, 40; al-Mas'ud, 39; al-Khurafi, 37; Abu Shaybah, 37; al-Duwaysh, 35; and al-Tukhaym, 35.

Legislative Committee

The Assembly then moved to elect members of the Legislative and Legal Committee, comprising seven members. The following 10 deputies were nominated for membership: Yusuf al-Shahin, Muhammad al-Murshid, Khalid al-Wasmi, 'Isa al-Shahin, Salih al-Fadalah, Muhammad al-Rushayd, Mubarak Ra'i al-Fahma', Muhammad Habib, Mashari al-'Anjari and Humud al-Rumi.

As a result of the vote, the following won: Muhammad al-Murshid with 45 votes; Salih al-Fadalah, 41; Muhammad Habib, 41; Humud al-Rumi, 41; Mashari al-'Anjari, 40; Khalid al-Wasmi, 39; and 'Isa al-Shahin, 36.

Prayer Recess

At around 1200, the session was adjourned for prayers. It was resumed at around 1230 and al-'Adasani announced the start of the election of the Education, Culture and Guidance Committee, comprising five members. A number of members proposed that the committee be formed of unopposed members so as to save time. The following five members were nominated to the committee and won unopposed: Khalid al-Jumay'an, Humud al-Rumi, Jasim al-'Awn, Khalid al-Wasmi and Hadi Hayif.

Health Affairs

The Assembly then proceeded to elect members of the Health, Social and Labor Affairs Committee, comprising five members. The following eight members were nominated for membership: Muhammad Habib, Mutlaq al-Shulaymi, 'Ayid 'Allush, Jasir al-Jasir, Hadi Hayif, Rashid Sayf, Muraykhan Sa'd and Muhammad al-Qahs.

The result of the vote was as follows: al-Shulaymi, 'Allush, Hayif and Sayf got 37 votes each and Muraykhan and Jasir al-Jasir got 33 votes each. The Assembly was thus compelled to draw a lot between Muraykhan Sa'd and Jasir al-Jasir and Muraykhan Sa'd won.

Foreign Affairs

The following 13 deputies competed for membership in the Foreign Affairs Committee, comprising five members: Jasim al-Saqr, Badr al-Mudaf, Faysal al-Qudaybi, Ahmad al-Tukhaym, Jasim al-'Awn, Khalifah al-Jari, Muraykhan Sa'd, Mubarak al-Dabbus, Fayiz al-Buqayli, Khalaf al-'Anzi, Khalid al-Nazzal, Hazzam al-May' and 'Isa al-Shahin.

In the election, Jasim al-Saqr won by 51 votes, the highest number of votes won by a member of the Assembly, Khalid al-Nazzal by 30 votes, Jasim al-'Awn by 27, 'Isa al-Shahin by 27 and Badr al-Mudaf by 26.

Public Utilities

Finally, the Assembly proceeded to elect members of the Public Utilities Committee. The following won unopposed: Muhammad al-Rushayd, Nayif Abu Ramyah, Muhammad al-Barrak, Mubarak Ra'i al-Fahma', Yusuf al-Shahin Mutlaq al-Shulaymi and Jasir al-Jasir.

At the conclusion of the election proceedings and the formation of the Assembly committees, Speaker al-'Adasani congratulated the members of the committees on the confidence they won and drew their attention to the need to attend the meetings regularly. The speaker also drew attention to the meeting of the committee to draft the reply to the government program which had postponed its work during the previous session, and asked this committee to resume its work in the next few days.

Deputy Jasim al-Khurafi replied, pointing out that the committee had previously submitted a letter to the speaker explaining the committee's agenda and familiarizing the speaker with the details of the matter.

Two Sessions a Week

Speaker al-'Adasani then pointed out that after the next session, the Assembly must begin holding two sessions a week to deal with and complete the accumulated work.

Deputy Jasim al-Khurafi said: The agenda contains items that deserve to be expedited. There are also the activities of the committees, which must be given the opportunity to meet and work to accomplish their tasks. Therefore, I hope that the burden on the Assembly agenda will be reduced and that we will exert ourselves to organize the time in a manner compatible with this agenda, especially since there is the

government program to be discussed and completed at the right time. There were members who opposed the holding of two sessions a week and members who supported the suggestion.

Member Jasim al-'Awan proposed that an evening session be held every Saturday, in addition to the Tuesday morning session.

Dr Khalid al-Wasmi said: Our present situation is characterized by the accumulation of papers and documents and the work must be organized according to the system in operation in all the parliamentary councils of the world, namely, the system whereby the first half of each month is devoted to studies and organization and the second half to meetings to make the work compatible with the general situation.

Mutlaq al-Shulaymi: I agree with the speaker's proposal to hold two sessions a week. As committees, we should coordinate among ourselves. Last year, several of the committees did not submit adequate reports on their activities.

Mashari al-'Anjari: We must complete the accumulated work in the coming weeks and must free ourselves for the approaching important activities. This is why we should complete the decrees and the laws. I support the proposal for holding an evening session every Saturday.

The members demanded that the issue be submitted to a vote. While discussing a vote, Deputy Muhammad al-Rushayd proposed that the issue be postponed until next Tuesday's session. The Assembly approved the proposal and Speaker al-'Adasani adjourned the session until Tuesday morning.

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CSO: 4404/82

COMMERCE AND BANKING ISSUES DISCUSSED

Jiddah ARAB NEWS in English 5 Dec 81 p 2

[Text]

JEDDAH, Dec. 4 — Officials have reaffirmed that issuing checks without sufficient funds in the bank is a serious matter that will be put to an end, and that anyone abusing checking procedures will be liable to imprisonment and a heavy penalty.

Views on check-cashing problems and commercial situations in the Kingdom were among the wide-ranging issues discussed by *Al-Riyadh* newspaper recently. Dr. Abdul Rahman Al-Zamil, commerce undersecretary, and Saleh Al-Toaimi, president of the Riyadh Chamber of Commerce and Industry, spoke at length to the newspaper on subjects regarding the public interest.

Government action on checking problem

Commenting on the question of overdrawn checks, Toaimi said he regretted that the Kingdom perhaps is the only country in the world where a lack of respect for check usage is noticed. He said that both Saudi Arabians and expatriates are involved in this matter, and urged them to recall and act upon the commercial proverb that says "the capital of a merchant is his signature." The ministerial decision taken in this regard aims to restore the value and respect of a check, he added.

The official said that even the state doesn't show flexibility in the matter of checks since the ministerial regulations call for the endorsement of a check. He was in favor of more flexibility so that it could be easier to do away with the phenomena in this society. He further expressed his regret that due respect is not given to all rules and regulations in the Kingdom. For instance, he said that the traffic department specifies a speed of 60 kmp, but a traffic official himself drives at 100 kmp on the same road.

Explaining further the issue of check, Zamil said that if someone takes a check to the bank and the latter asks him to contact the

drawer, that means he has no balance. The person takes the check to the ministry which sends a notice to the drawer, through the drawee, asking him to settle the matter. If the drawer does not pay heed, it sends him a notice through the governorate. If he still shows disregard, the governorate sends a policeman to fetch the drawer. When he is brought before the committee, he is given two options: either he pays the sum immediately and saves himself from a penalty, or he should face both a prison term and penalty. But 90 percent of the problems are solved through serving a notice, he said.

Zamil said there were no such cases in which a Saudi national issued any faulty check and then absconded. However, there were 156 cases of foreigners, in which checks for huge amounts were issued in the name of Saudi Arabians, and the expatriates concerned ran away from the country. He urged the nationals to be alert and to protect themselves, remembering that the law does not protect ignorance of reality.

Discussing the problem of shortage in cash flow, Zamil admitted that Saudi Arabian contractors face competition with foreign contractors in the matter of big projects. With the recent construction boom, many big contracts were won by foreign companies, with the result that when a foreign contractor receives the money, he sends it immediately outside. Zamil said this phenomenon ought to be checked by awarding most of the contracts to local contractors.

As a result, the funds will remain in the country and the local contractor can invest the money in any project within the country. Similarly, priority ought to be given to local products, he said. Official regulations make it clear that in specific fields, such as road building projects, priority should always be given to local contractors. Zamil also said that the

ministry is now inclined to prohibit the foreign contractor from importing construction materials from outside. He should either make purchases locally or import the required materials through a Saudi Arabian merchant.

The phenomenon of cash flow created another problem in the form of the rate of profit. Since this rate is very high outside, people who did not care much about their country's economy, began remitting their capitals outside. Therefore, in order to check the phenomenon of cash flow shortage, it is necessary to award big projects to Saudi Arabian contractors, no matter if it were to be let in phases like the housing projects, he said.

Competition plays important role

On a question of competition, Zamil said, this was a healthy phenomenon for the society, and quality control also is one of the basic roles of the Commerce Ministry in the matter of foodstuffs and other consumer goods. He asserted that various types of commodities being sold in the markets of Saudi Arabia are inexpensive when compared to other markets in the Arab world. The ministry maintains quality checking laboratories at its ports in order to avoid commercial fraud in foodstuffs and consumer goods.

As regards the prices, experience has shown that if there is any interference from the state, it creates a lot of evil effects from all aspects. However, the prices prevailing in the Kingdom are better than those in other markets. The local contractor does not find any difficulty in finding the goods of his requirements, because everything is available in plenty in the markets. As a result of competition among the importers, the goods are sometimes sold at the cost price and sometimes even at less than the cost price, as in the case of cement, Zamil added.

Toaimi said he also believed in the importance of competition. Only three years ago matters were different, he said. Then, the consumer had difficulty in finding goods. Therefore, whatever he could get he used to buy. But now, due to the availability of materials and competition, the consumer can find anything of his choice. However, he said the consumer needs to realize the importance of quality, and added that there should be some agency to educate the consumer on this matter. While Zamil agreed on this point, he thought that the development of consciousness among the consumer may still take a long time.

Regarding the role of the Saudi Arabian Standards Organization (SASO), the officials considered it to be one of the most active

organizations in the country. SASO holds frequent meetings with representatives from the public and private sectors. The Kingdom's standard specifications at present are somewhere in the vicinity of 40 to 45, with great stress on building materials, cement and milk. When Saudi Arabia imposed the condition that every foodstuff must mention contents and actual date, nearly 90 percent of the consumer's problems were removed, Zamil said.

Discussing the problem of commercial registration, he said that there is no objection to issuing commercial registers to bona fide applicants, such as transports or goods carriers. But some people try to exploit the commercial register for recruiting alien manpower, not for themselves, but for other parties, which is illegal. On the role of the chamber of commerce, Toaimi said the chambers are supposed to serve businessmen and contractors, and not employers. Therefore, it isn't understandable why this practice continues, especially since the employers are in a position to get new registers from the municipalities or elsewhere.

Zeroing in on fraud

Answering a question on commercial fraud, Zamil said the regulations on commercial fraud were framed more than 20 years ago. A new statute is under consideration and it is hoped that it will be approved in the near future. Earlier, the penalty used to be SR1,000, which has now risen to SR10,000 and sometimes to SR20,000.

As a result of frequent public complaints, he said, the phenomenon of commercial fraud has been on the decline. There are lesser complaints now, maybe one or two in a week, he said, and added that the ministry now has excellent laboratories which are capable of detecting defects immediately. These measures have frightened the merchants, especially because they have seen that shiploads of chicken have been returned since the commodity did not conform to Saudi Arabian specifications.

Commercial fraud gains prevalence either through imitation or a shortage in the quantity. A coil, for example, is supposed to contain 100 yards of wire, but some markets wrap only 95 yards, which means the consumer suffers a loss of five yards. It also sometimes happens that the thickness of the wire is mentioned as six millimeter, but it is in fact only four. The merchant, who used to import such goods without much consideration, has now become wary as a result of competition in the market.

Commercial fraud, however, may be of two types. In the first case, the fraud is premeditated by unconscientious people, while in the

second case, it occurs as a result of bad storage. It has been observed, for instance, that the new consignment of, say foodstuffs or chicken, is stacked in the front portion of the storage while the old stock is left behind. The result accruing from this practice is that the old stock becomes older and, after a certain period, become unworthy of human consumption. The seminar held the view that fraud, no matter of what type or whether from the local merchant or from the exporters, must be combated and checked.

Zamil also mentioned fraud in jewelry, which came on the scene just a couple of years ago. He claimed that jewelry-making used to be the profession of respectable families in Saudi Arabia, but regretted that lately other elements with Saudi Arabian names entered into this trade. The daily purchases, averaged between SR50 million and SR100 million. The Ministry of Commerce has issued orders on specifications and the officials of the chambers of commerce have cooperated with it. Orders have been issued to display the price and the quality of gold or diamond, so that the buyer knows what he is going to buy.

He said the ministry officials plan to start a surprise inspection. Remaining incognito, the officials will take five different types of jewelry and have them tested to ascertain the jeweler's claim. He advised women to be careful, for it is they who frequent the jewelry market. He urged them to insist while buying a piece of jewelry that they will have it tested by the chief goldsmith or by another jeweler.

A discussion arose on traders' complaint of being subjected to deceitful acts while dealing

with world markets, with the ministry taking no resolute steps to solve their problems. In this case, Toaimi said it was a fact that a large number of Saudi Arabian merchants suffered from this trend, but added that the merchants do not show much eagerness to contact the chamber of commerce before dealing with exporters and traders abroad.

He said the main sufferers are those who are new in the trade, since they don't have enough experience in the world markets and of those with whom they are dealing. He cited the example of a man who complained of having received forged goods worth \$3 million. The merchant didn't collect prior information about the exporter or contact the chamber of commerce or a bank. It so happened that the Minister of Commerce visited that particular country and raised the matter

at the highest level. The case ended up with a report that the exporter had died!

Toaimi emphasized that the merchant should be fully conscious of his dealings, adding that his interest cannot be protected by the ministry or chamber or any powerful advocate if he himself shows lack of interest in obtaining prior information on his business dealings.

For a businessman doing trade with foreign companies, it is extremely necessary to contact the chamber of commerce or the bank in order to ascertain the bona fide of the exporter, Toaimi said. He added that once a merchant contacted him to find out the business status of a certain company in Hong Kong. The chamber sent a telex to its counterpart in Hong Kong also that the company was not sound and had no bank balance.

Removing agricultural exploitation

Turning to the agriculture side, the officials spoke on the phenomenon of exploitation. In view of the fact that the farmer remains at the mercy of middle men in the local market, neither he nor the consumer is the actual beneficiary. A farmer, for example, sells a box of tomatoes for SR20, but, by time the box reaches the consumer, its price goes up to SR50. Therefore, a plan is being discussed to set up a company for the supply of agricultural products, Zamil said.

In this way, the agricultural products will easily reach directly from the farmer to the consumer, without having the need for depending on the intermediary.

SABIC LAYS BASIS OF PETROCHEMICAL FUTURE

Jiddah ARAB NEWS in English 9 Dec 81 p 3

[Text] JEDDAH, Dec. 8 — The Saudi Arabian Basic Industries Corporation's industrialization program will have an estimated capital cost of about SR35 billion, according to SABIC's annual report for 1980 released recently.

The report, the fourth to be issued by the corporation, stated that the working force required for full operation of the industries will be only about 7,500. That will provide for an average capital investment SR4.6 million per worker. Established with an initial capital of SR10 billion in 1976, SABIC has a great potential to implement industrial projects several times over.

Industry and Electricity Minister Dr. Ghazi Algosabi, SABIC chairman, said in the foreword that questions were raised about the Kingdom's ability to penetrate the field of advanced industry and compete with well-established industrial countries. They dealt with the insufficient infrastructure, lack of industrial background, shortage of trained manpower and an unfavorable environment, but "they were the very questions we asked ourselves right from the beginning," Algosabi wrote.

"In fact, they formed, together with related factors, the basis of our approach to industrialization," he said. The Kingdom also had adopted a principle of full partnership with established international firms — a combination of abundant and stable resources coupled with technical, administrative and marketing expertise. "Hence, we could share both the risks and benefits," Algosabi said.

"Selection of partners also entailed important decisions. They had to have the appropriate background and the adequate technical and administrative experience, so that they could cooperate and work effectively with us," Abdul Aziz Al-Zamel, SABIC vice-chairman and managing director, said in his management report.

SABIC has made a point of selecting industries which meet the Kingdom's resource endowment and long-run comparative advantages, Zamel said. "They are capital and energy-intensive and economize to a great extent on the labor factor," he said.

The corporation's initial capital was covered by the state — thus making it a totally state-owned, but independent body. However, up to 75 percent of its equity capital will become available to Saudi Arabian nationals eventually, according to the report. A major percentage of the capital cost of projects to be provided by the Public Investment Fund (PIF), with commercial loans also as a source of finance. The balance is provided by the joint venture partners in proportion to their respective contribution in equity.

"The extent and size of finance available to SABIC reflects the emphasis given by the government to the industrialization of the country," the report said. SABIC's role is not confined to realizing direct material returns from basic, downstream and supporting industries or creating productive job opportunities to Saudi nationals, in addition to other related activities and services. It will rather contribute to the transfer of technology by laying down a foundation for a dynamic and cumulative progress.

SABIC's Phase I industrialization program, basic industries, includes the implementation of five ethylene-based petrochemical complexes with a total capacity of 1.6 million metric tons per annum; two chemical-grade methanol plants with a total capacity of 1.25 million metric tons a year; and a nitrogenous fertilizer plant with a capacity of 500,000 metric tons of urea annually. In addition, an iron and steel plant in Jubail will produce 800,000 tons per annum, while a steel rolling mill plant in Jeddah modernized and expanded, has an output of 140,000 tons annually.

Al-Jubail Petrochemical Company (Kenya) for which a final agreement was signed between SABIC and Exxon of the U.S. in April, 1980, will produce 260,000 tons annually of low density polyethylene (LDPE). Capital for the joint venture was raised on a 50/50 basis. It is expected to come into produce by the beginning of 1985.

Saudi Yanbu Petrochemical Company (Yanpet) was created as a joint venture with Mobil of the U.S. also on the basis of a 50 percent participation in equity capital. Yanpet, expected to reach commercial production by the end of 1984, will produce 200,000 tons of ethylene glycol, 200,000 tons of LDPE and 90,000 tons of high density polyethylene (HDPE) per annum.

Another joint venture with Peeten Arabian Limited, a wholly owned subsidiary of the American Shell Oil, established the Saudi Petrochemical Company in September, 1980. Under the venture, the largest petrochemical complex in the world is under construction in Jubail. The complex will produce 256,000 tons of ethylene dichloride, 281,000 tons of ethanol, 295,000 tons of styrene and 377,000 tons of caustic soda; in addition to 656,000 tons of ethylene annually. It is expected to come into production in the second half of 1985.

In 1979, SABIC has concluded four final agreements. The corporation went into a joint venture with the German Kort-Stahl to establish the Saudi Iron and Steel Company (Hadeed) in March, 1979. SABIC holds 80 percent of the equity while the German partners own the remaining 20 percent. The iron and steel complex, to be built in Jubail, will produce 800,000 tons of steel billets, reinforcing rods and bars and sponge iron.

In May of the same year, SABIC concluded an agreement with Kort Industrie and Handel GmbH and Co. of Germany for modernizing and expanding the Jeddah Steel Rolling Mill Company (Sylb). The plant's production increased to 140,000 tons per annum as a result of the agreement.

A 50/50 joint venture between SABIC and a Japanese consortium led by Mitsubishi established the Saudi Methanol Company in December, 1979. When the plant goes onstream in 1985, it will produce 600,000 of chemical-grade methanol a year.

During the same month, another joint venture with the Taiwan Fertilizer Company resulted in the creation of equal-equity venture under the name of Al-Jubail Fertilizer Company (Samad). The plant will come into production in 1983 with a capacity of 500,000 tons of urea per annum.

This year, final agreements for SABIC's last three basic industries were concluded. Celanese and Texas Eastern of the U.S. entered a joint venture with SABIC for building the second methanol complex, the National Methanol Company, with an annual capacity of 500,000 tons.

Dow Chemicals of the United States signed the joint venture for establishing the Arabian Petrochemical Company (Petrokemya) in May. The SR5 billion venture, concluded on a 50/50 basis, provides for building the 500,000-ton-per annum ethylene plant in Jubail. Meanwhile, the Japanese consortium led by Mitsubishi entered a joint venture for establishing the Eastern Petrochemicals Company (Shark) during the same month. Both plants are expected to go onstream by 1985.

The considerable initial outlays of funds for these projects are expected to accrue proportionately substantial returns. The gross return to the domestic economy when the basic industries reach full production between 1984 and 1987 is estimated at SR10 billion a year, according to the annual report.

The total estimated trade benefits to the country, export earnings and import substitution, would approximately reach SR14 billion, based on the expected sales prices in 1987, the report stated. Taxes paid to the Saudi Arabian government on foreign partners' profits are estimated at about SR870 million a year.

The major creditor, the Public Investment Fund, is expected to receive approximately SR840 million per annum exclusive of the full value of the original loans advanced by the PIF. Commercial banks might earn about SR350 million a year by lending to SABIC projects, the report said.

It added that the Royal Commission for Jubail and Yanbu is expected to receive an average amount of SR300 million per year, as rents and charges to be paid by SABIC's projects for the use of the commission's services and utilities.

KINGDOM, THAILAND SIGN OIL AGREEMENT

Jiddah ARAB NEWS in English 12 Dec 81 p 3

[Text] JEDDAH, Dec. 11 — Saudi Arabia will supply Thailand with 65,000 bpd of light crude over a three-year period starting in 1982. Thailand's Ambassador to Saudi Arabia, Suwat Senivongs Na Ayuthya, told *Arab News* Thursday.

An eight-member, high-level delegation, led by Industry Minister Maj. Gen. Chatichai Choonhavan, visited Saudi Arabia at the invitation of Petromin Governor Dr. Abdul Hadi Taher from Dec. 7 to Dec. 9. The delegation signed the contract for oil supply during their visit. They also passed to Dr. Taher their country's request for Saudi Arabian experts to advise in the refining of oil, especially since Thailand is looking forward to establishing a lubrication plant, the diplomat said.

Ambassador Ayuthaya said the signing of the agreement is the result of "happy relations," not only in the economic field, but particularly in political matter. He added that his people and government are grateful to Saudi Arabia, and particularly for King Khaled, Crown Prince Fahd and Petroleum

and Minerals Minister Sheikh Ahmad Zaki Yamani's thorough understanding of Thailand's problems. He said the Thai government considered the contract as a kind of assistance, which it has been trying to secure for 10 years.

Thailand, the ambassador said, needs a total of about 200,000 barrels a day, but its refinery — owned by the Military Energy Department — can only handle up to 65,000 barrels at present. Therefore, Saudi Arabia has agreed to feed the refinery at full capacity (covering 30 percent of the country's overall oil needs). But Thailand needs more oil, and

it will expand its refinery in case Saudi Arabia agrees to increase the quantity.

The value of the Petromin contract resides in the fact that previously Thailand had to buy its oil from private sources at a much higher price, because of commissions and other factors involved. Now it will buy the oil on a direct government-to-government basis, without intermediaries. To cover its remaining 135,000 barrel oil needs, Thailand will continue to refine in Singapore the oil obtains from Indonesia, China and other countries and buy refined oil products from Shell, Esso and Caltex.

CSO: 4400/88

AUSTRALIA COOPERATE IN METEOROLOGICAL TRAINING PROGRAM

Jiddah ARAB NEWS in English 5 Dec 81 p 7

[Article by Kathy Lund]

[Text] JEDDAH - To most people the weather is something to talk about when the conversation dries up. But to one special group it's the most interesting subject in the world. Meteorologists spend all their working lives talking about the weather — and it's crucial that they do. All sorts of people depend upon their forecasts, from picnickers to airline pilots. It's a profession that takes a lot more training than looking up to see if there are any clouds in the sky.

Under a Memorandum of Understanding, signed in 1979, Saudi Arabia and Australia agreed to cooperate in the field of meteorology. Saudi Arabians study the science in Australia while Australian radar technicians have visited the Kingdom to observe and advise on operations at the various meteorological station around the country. There are also discussions being held between the Australian government, through its Overseas Projects Corporation, and the Meteorological Environmental Protection Agency to provide a team of experts to supervise operations and administration and help in the Saudization program.

Saad Mohalfi is one of the Saudi weather observers who has already completed courses in Australia. He completed a nine month course in theoretical and operational meteorology at the Australian Bureau of Meteorology's training School in Melbourne and also studied at the Royal Melbourne Institute of Technology.

Saad Mohalfi will work as an assistant weather forecaster at Jeddah Airport, where he will brief pilots and prepare aviation forecasts. Before going on the training program,

he was chief weather observer at Abha airport. He is pictured while in Australia, Mohalfi studied under the Director of the Australian Bureau of Meteorology, Dr. John Zillman.

Zillman was a member of the delegation accompanying the Australian Deputy Prime Minister J.D. Anthony, when he visited the Kingdom in March this year for the signing of the Agreement on Economic and Technical Cooperation. Last month two senior Australian Meteorologists, John Motral and John Randall visited the Kingdom for talks on future training programs for Saudi Arabians in Australia.

CSO: 4400/88

BRIEFS

FAHD ORDERS ZAKAT PANEL--Riyadh, Dec. 8 (SPA)--Crown Prince Fahd Monday briefed the Council of Ministers on the importance of 'zakat' (Islam's compulsory charity) and the proper means to collect it. He ordered the establishment of a committee to study the issue and see how it should be collected and spent in accordance with the divine law. Information Minister Dr. Muhammad Abdo Yamani stated that Justice Minister Sheikh Ibrahim ibn Muhammad Al-Sheikh addressed the cabinet on the same issue. Prince Fahd told the ministers: "It is our duty to inform the people and impress upon them the importance of this significant injunction of our religion. By acting collectively and feeling that it is our joint responsibility to see that zakat is collected and disbursed properly, we would be earning Almighty God's mercy and help." The prince also referred to social security and the importance of assistance to the needy. He said that conscience, in this respect, can be cleared only through minute research and enquiry. He requested a comprehensive report on the subject by the acting minister of labor and social affairs. Yamani said that the cabinet then discussed certain aspects of the Third Five-Year Development Plan. It was briefed on the subject by Planning Minister Sheikh Hisham Nazer. The cabinet approved the draft royal decree for the establishment of the Saudi-Kuwaiti Joint Cement Company. The project is part of a drive to further industrial cooperation between Saudi Arabia and the Gulf countries. [Text] [Jiddah ARAB NEWS in English 9 Dec 81 p 2]

GENERATING PLANTS' CONTRACTS AWARDED--Riyadh, Dec. 7 (SPA)--The General Electricity Corporation has approved the awarding of two contracts for generating plants for the Najran and Jouf central electricity projects, according to officials Monday. The contract, to be commissioned to two international companies, will have a combined cost of SR515 million. The Najran contract, amounting to SR221 million, will provide for supply and installation of a 100-megawatt, gas turbine generating plant. It is expected to serve about 25,000 subscribers in the Najran area. Meanwhile, the Jouf contract of SR294 million calls for supplying and installing a similar generating plant with a 125 megawatt capacity. About 10,260 homes will benefit from the power it will produce. The general electricity corporation board had met last week under its chairman, Industry and Electricity Minister Dr. Ghazi Algosaibi. The board discussed bids submitted for the two projects and approved certain issues related to personnel affairs in the company. Though regional consolidated electricity companies, amalgamated private firms, have covered the Kingdom, the general electricity corporation is continuing with its main program to set up networks in rural and remote areas. These projects will be ceded to the consolidated companies once completed. Four central electricity projects have

already been implemented in Asir, Baha, Jizan and Kharj while a fifth one is under construction in Qasim. Among the three central projects endorsed in the corporation's budget this year, the Hail scheme was the first to be commissioned while Najran and Jouf are to follow suit shortly. The Third Five-Year Development Plan anticipates to achieve an electricity generation capacity of 15,320 megawatts to meet a peak load of 11,182 megawatts from about 1.3 million subscribers. A major contribution to the nation's power capacity during the third plan will come from water desalination projects. By 1985, the Saline Water Conversion Corporation (SWCC) will have 18 desalination plants in operation with a combined power production of 1,645 megawatts. By the end of the second plan (1980), desalination plants have contributed 250 megawatts. [Text] [Jiddah ARAB NEWS in English 8 Dec 81 p 3]

ARMS POSSESSION REGULATION REPORTED--Riyadh, Nov. 29 (SPA)--A royal decree regulating the carrying of arms in the Kingdom will be issued soon and the Interior Ministry will issue licenses to those wishing to own them, according to Interior Minister Prince Naif Sunday. Speaking at the end of the regular meeting of the Supreme Information Committee which he chairs, Prince Nair said that the council of ministers has already approved the regulations and passed them on to King Khaled for the promulgation of a decree. "The decree will organize the carrying of arms," he said. "It is already well known that our people are used to carrying arms and there is hardly any citizen who does not possess a piece of arms." He said that the ministry has been issuing licenses and that people go to the ministry to collect their cards. [Text] [Jiddah ARAB NEWS in English 30 Nov 81 p 2]

EMPHASIS ON TECHNICAL SCHOOLS URGED--Riyadh, Nov. 29 (SPA)--The Higher Manpower Committee held a meeting here Saturday under Defense and Aviation Minister Prince Sultan, is chairman. The meeting was attended by Prince Naif, interior minister; Prince Ahmad, deputy interior minister; Sheikh Muhammad Aba Al-Khail, minister of finance and national economy; Sheikh Ibrahim Al-Anqari, minister of labor and social affairs and Dr. Abdul Aziz Al-Khuwarter, minister of education. Prince Sultan stated after the meeting that the committee reviewed the training of Saudi Arabian nationals. He urged the country's young men to join vocational and technical training institutes. Emphasizing the role of the youth in industrial development, he said they are the basic pillars for a strong industrial edifice of the country. He added that the local manpower will replace the expatriates within a short period of time. The minister said a three-man, preparatory committee has been formed to prepare a study the topics of agenda placed before the general secretariat of the manpower board. It will meet 10 days before the convening of the board's meeting, he added. [Text] [Jiddah ARAB NEWS in English 30 Nov 81 p 2]

MEDIA POLICY SUBMITTED FOR APPROVAL--Riyadh, Dec. 1 (SPA)--A new policy governing the information and media services of the Kingdom will be submitted to King Khaled soon for his study and approval, according to Interior Minister Prince Naif, Tuesday. Prince Naif who is chairman of the Supreme Information Council said the policy "will translate practically the government internal and external information services within the framework of our religious, moral and social values which form the basis of our modern state". Every aspect of the information service has been carefully studied and reviewed including ways and means of combating malicious foreign propaganda against the Kingdom. Each medium in the country will have a role

to play against the "foreign intellectual invasion which is inconsistent with our values and religious teachings which form the fundamental principles of state policy. "We have drawn up a program of action to combat this propaganda against Islam, the Arab world and specially the Kingdom," he said. This program will be comprehensive and will achieve its objectives and will become the foundation on which all our information services will be built. He urged those involved in the media and mass communications to be honest in presenting the news and show the respect to the readers, listeners and viewers. [Text] [Jiddah ARAB NEWS in English 2 Dec 81 p 3]

RIYADH, BONN'S TEACHING PARTNER--Jeddah, Nov. 25--Agreements reached for providing West German technical educational assistance to Saudi Arabia, during the recent joint commission talks reaffirm the close ties between the two countries, according to Hans Henner Vaubel-economic counselor at the Embassy of the Federal Republic of Germany here. According to report on the meetings, which were held earlier this month, Saudi Arabia is the most important economic partner for West Germany in the Middle East. West Germany imports 31 percent of its oil needs from the Kingdom. Germany to date has become a significant partner in technical assistance to Saudi Arabia with a strengthening of ties not only in the traditional area of trade, but also in the modern elements of industrial investment, technical cooperation, transfer of technology and educational training. Two agreements were signed at the end of the sessions. One called for cooperation in vocational training and technical assistance in the various industrial fields, and the other provided for the establishment of a SR10 million company to be named the Saudi-German Company for Development and Investments. The goal of the investment company is to facilitate participation of small and medium-sized firms in capital and business interests in the market, with a possible benefit of the transfer of technology. Other areas of agreement highlighted by the talks include cooperation in gas and mineral resources. With regard to liquefied petroleum gas (LPG), Germany is aware of the importance of local use and petrochemical needs, a report on the talks said. A West German group recently was established to plan the necessary infrastructure for an LPG terminal and pipeline, the report added. West German proposals during the conference called for closer technological cooperation in research in methods for the exploration of hydrocarbons, producing synthetic liquid hydrocarbons and mining in the Red Sea. In technical education cooperation, efforts were extended to new institutions, schools and programs. The Ministry of Public Works and the Saudi Arabian Standards Organization expressed a desire for more experts in the field of materials testing. [Text] [Jiddah ARAB NEWS in English 26 Nov 81 p 2]

REPORT ON 1981 INFLATION RATE--Riyadh, Dec. 2 (SPA)--Living costs in the five major cities of the Kingdom increased only by one percent during the third quarter of 1981, in comparison to the second quarter, according to official statistics released Wednesday. The Finance and National Economy Ministry's General statistics department said in its statement that the slight inflation increase a good indication of the economic stability and firmness of prices in the Kingdom. The department said that the survey covered Saudi Arabian nationals and foreigners residing in the five cities. The rise represents a 2.7 percent hike compared to the same period of last year, it said. The rise in the prices of fresh and dry vegetables was blamed for the increase of the cost of living. Vegetable prices had gone up by 21 percent during that period because of the vegetable drop in imports coming

through Jordan during that period. The statistics department said that the rise in the cost of living becomes insignificant when compared to inflation rates for the same period in other countries. [Text] [Jiddah ARAB NEWS in English 3 Dec 81 p 3]

DUTCH WIN CONTRACT--Riyadh, Dec. 1 (SPA)--Interior Minister Prince Naif signed Tuesday a SR570 million contract with the Dutch company Ballast Nedam to build a hospital for ministry personnel here. The contract calls for 397 beds in addition to the existing 105 to bring the total to 484 including eight intensive care units, four for heart patients, seven operating rooms and outpatient and other departments. It should be ready to open by 1985. Prince Naif said this is one of the basic projects of the ministry and will be one of the largest hospitals in the country with the finest equipment and services. "In due course," he said, "there will be such good hospitals here that people will not need to go abroad in search of advanced medical treatment. He said that a management contract for the ministry hospital in Riyadh has been signed with a specialist company and will start operating soon. The main six-story building of the hospital complex will be accompanied by other structures covering an area of 50,000 square meters. These will include clinics for eye diseases. ENT, dental care, heart, skin diseases, nuclear therapy, maternity, physiotherapy, laboratories and many others. Meanwhile, Prince Naif received Tuesday Gulf Cooperation Council (GCC) Secretary General Abdullah Bishara and Assistant Secretary General for Political Affairs Ibrahim Hamoud Al-Subhi.

[Text] [Jiddah ARAB NEWS in English 2 Dec 81 p 3]

ARABIAN PENINSULA SEMINAR HELD--Washington, Dec. 5 (SPA)--Abdullah Saleh Al-Uthaimeen, a representative of Riyadh University, addressed Saturday a seminar about the Arabian Peninsula's role as an important and strategic point in international politics. Uthaimeen's research which deals with the Arabian Peninsula as the starting point for Imam Muhammad ibn Abdul Wahhab's call, was part of the seminar's second day program. The Far East Studies Center of Arizona University organized the seminar in cooperation with Exxon. Friday's main statement was delivered by Saud Nasser Al-Sabah, Kuwaiti ambassador in Washington. Among other leading personalities who addressed the symposium was Joseph Mallon, a professor of Middle East affairs at the Far East Studies Center, who commended the stability and immense progress in the Kingdom. Malcolm Reed of the U. S. State Department's information and research office also spoke of the Saudi-American relations. He said that the approval of the Airborne Warning and Control System (AWACS) aircraft by the Congress was a turning point in the Saudi-U. S. relations. There is still more ahead for the American people and administrations to reach a true understanding and knowledge of the Kingdom's situation, he said. [Text] [Jiddah ARAB NEWS in English 6 Dec 81 p 3]

AGRICULTURAL PROJECTS APPROVED--Riyadh, Dec. 5 (SPA)--Minister of Agriculture and Water Dr. Abdul Rahman Al-Sheikh Saturday approved the setting up of five agricultural and animal husbandry projects at a cost of over SR49 million. Of these, two sheep-breeding projects worth SR15.7 million and SR3.8 million will be established in Qassim to produce 6,000 and 1,363 heads of cattle every year. A third project will be set up in Quweiyah at a cost of SR3.9 million to produce 1,000 head of camel annually, and a similar project in Dawadmi at a cost of SR9.3 million with an annual productive capacity of 500 head of camel. A SR16.5-million

dairy project is to be set up in Ahsa to produce nearly 4,000 kls. of milk from 350 cows. In a separate development, Dr. Al-Sheikh Saturday chaired a meeting of the board of directors of the General Organization for Saline Water Conversion. The meeting heard a report from Abdullah Al-Ghaleqah, organization's governor, on the work progress of various projects of the organization. The board approved some of the projects including the establishment of new plants and expansion of some existing ones. It also discussed the organization's draft budget for the next fiscal year and approved the sending of some officials of the organization to the United States for higher studies in electronics and desalination engineering.

[Text] [Jiddah ARAB NEWS in English 6 Dec 81 p 3]

ELECTRIC EXPANSION SET--Jeddah, Dec. 6 (Special)--General Electricity Company Governor Mahmoud Tayba signed Sunday three contracts for expanding power stations in the Western Region. Tayba signed the SR172 million worth of contracts in his capacity as the chairman of the Saudi Consolidated Electricity Company for the Western Region. He said the implementation of expansion projects will enable the consolidated company to meet the peak power demands in Makkah, Taif and Yanbu. Tayba commended the Saudi Industrial Development Fund's constructive role in financing capital-intensive power projects. Cooperation provided by SIDF officials contributed in the early conclusion of the three contracts, he said. Two of the contracts, worth SR142 million, will expand Makkah's electricity station to meet the power load demands during the coming summer and pilgrimage seasons. The station's 417-megawatt production will be increased to 517 megawatt once the expansion is completed, Tayba said. The third contract, amounting to SR30 million calls for the supply and installation of a complete power generating plant in Yanbu. It includes a 18-megawatt gas turbine unit. The Yanbu power station is one of the general electricity company's projects expected to be merged with the Western Region consolidated company during the last week of April, 1982. Under the contract, the new generating plant will be operative in June or July of 1982. The consolidated company came into effect Oct. 28, combining private electricity companies and government power projects in the Western Region. It is the last of the five regional power companies to be formed across the Kingdom. The company's officials have revealed a plan to provide 170 sites for new electricity generating plants in Jeddah to meet the city's increasing demands and improve service. Dr. Talal Bakr, the Western Region consolidated company's director general, said recently that the company is discussing the availability of the sites with officials of Jeddah Municipality. He praised the municipality's cooperation by meeting the company's requests for adding generating stations. The plan will help ease pressure on some stations which are presently operating at maximum capacity, he said. [Text] [Jiddah ARAB NEWS in English 7 Dec 81 p 3]

CSO: 4400/87

OPPOSITION PREDICTS POPULAR UPRISING IN NILE VALLEY

London AL-DUSTUR in Arabic No 199, 14 Sep 81 p 11

[Editorial: "Uprising in Khartoum and Cairo!"]

[Text] Reports circulated in past weeks told of growing insurrectionist activity against the regime of Ja'afar Numayri in Khartoum and revealed that a group of officers had demanded Numayri's resignation. These reports, followed by the declaration of a state of emergency and the digging of trenches around the presidential palace, the ministry of Defense, and the radio broadcasting facilities, as well as the interruption of telephone contact between Sudan and the rest of the world, came as no surprise to anyone.

It has not been very long since the railroad workers rebellion, which historians must view as the largest labor uprising in the history of the Third World.

Therefore, there is nothing surprising in these events. The surprising thing is the timing of the insurrectionist activity, which the Voice of America has volunteered to disclaim, according to a statement by Baha'-al-Din Idris, official spokesman for Field Marshal Numayri. At the same time that the state of emergency was declared in Khartoum, Sadat--the sponsor of Camp David and chief ally of Numayri--was mobilizing his machinery of repression to crush all forces of opposition under the slogan, "crush factional strife." This is a slogan that the Egyptian president employed to counter the political danger that threatened his regime in Cairo after he discovered that all the national groups--whatever their political orientation--had agreed to reject "normalization," which is one of the main measures of the Camp David agreement.

This is the First Surprise

The second surprise is also a matter of timing. The campaign of repression being waged by the Khartoum and Cairo regimes comes on the eve of the arrival of the prime minister of the Israeli enemy in Washington to hold talks with the American President Reagan amid a deceptive information campaign suggesting the existence of conflict between the two sides. This indicates that Sadat and Numayri are in agreement on the need to eliminate all forms of popular opposition in the two countries in order to pave the way for American and Israeli hegemony over the region.

In spite of this, it cannot be said that all the two Camp David partners have done is devoid of positive aspects which can be extracted from out of the ordeal that our Arab people in the Nile Valley have undergone. These positive points can be summarized as follows:

1. The scale of the repression carried out by Numayri and Sadat confirms that the vehement popular opposition in Sudan and Egypt is not restricted to one sect, one group, or one area. Rather, it is comprehensive and extends from the ultra-right to the ultra-left.

The similarity in the method, extent, and timing of the repression campaigns indicates that the two president's have the same teacher who orders and is obeyed, plans and is followed as a model.

2. The deceptive slogans that both Numayri and Sadat have raised--which in the case of the Khartoum regime have been hidden behind the mask of "the Islamic way" and in the case of the Cairo regime are represented by the slogans "state of knowledge and faith" and "rule of law and institutions"--can no longer be perpetuated due to the accelerating spread of the popular anti-corruption forces in the internal sphere and the submission to foreign powers in the foreign sphere.

3. Those who formerly held reactionary or moderate positions or sought to win the pleasure of the authorities through flattery and hypocrisy must sooner or later, with sufficient cause, be pushed by the scale and scope of the repression in the two countries into establishing decisive positions on the traitorous regimes in Khartoum and Cairo now that these two regimes have established their position on all people.

4. The degree of consensus on the need to resist the Numayri and Sadat regimes has ensured that we are now witnessing a great ordeal that makes the rapprochement among dissimilar and perhaps even conflicting groups and inevitable occurrence which brooks no delay. In fact, this rapprochement in itself has made it a settled matter to say that the actions of the Khartoum and Cairo regimes have brought about a general ordeal based on the fact that these regimes are in a state of confrontation with nearly all the political forces.

5. The savagery of the repression and terrorism and the expansion of their scope remind us that despite the fact that a large part of the Camp David agreements and their secret adjuncts--headed by normalization with the Israeli enemy, the conversion of Sudanese and Egyptian territory into centers for American military bases, and the turning of the armies of the two countries into cat's claws to be used against the Arab oil states and African liberation movements--have actually been implemented, the phase of winning acknowledgment of the credibility of the two regimes that implemented these agreements has yet to be completed.

In any case, what we are witnessing in Sudan and Egypt is only a glimpse of the beginning.

The people of the Nile Valley will inevitably triumph over all the forces of apostasy and tyranny no matter how great the difficulty and scale of sacrifices become.

8591
CSO: 4504/13

'POOREST NATION' DESIGNATION BY UNESCO DISCUSSED

London AL-DUSTUR in Arabic No 199, 14 Sep 81 p 24

[Article: "UN Conference Discusses: Has Sudan Become the Poorest Nation and the Harshest Dictatorship?"]

[Text] UNESCO Conference: At the end of 1979, the UN General Assembly charged UNCTAD [United Nations Conference on Trade and Development] with preparing an international conference of the world's less-developed countries. UNCTAD decided in its meeting in Manila to call an international conference to discuss the decline in the economic and food situation in 32 countries considered the poorest in the world, having annual per capita incomes of less than \$200.

Last week (1 September 1981) at UNESCO headquarters in Paris, the UN Conference on the Less-Developed Countries (i.e., the 31 poorest countries in the world) opened with an address by French President Francois Mitterrand. In this address, Mitterrand delineated his country's policy on international economic cooperation, especially between the advanced countries and poor countries. Mitterrand specified five conditions for this cooperation: That the policy of caution that has heretofore characterized relations between the poor countries and the advanced countries be abandoned; that aid to the poor countries be actual and substantial; that since any rapid economic development of the poor countries demands financial accumulation, the political stability of these countries must be ensured; and, finally, that the development of these countries must be accompanied by respect for the freedoms of the peoples, their national identities, and their right to independence.

Some years ago, the poorest countries of the world numbered only 30, but another country has since been added to this list. This country is Sudan, which could become the poorest country among the world's poorest countries. Sudan's condition represents an important model in the study of these countries' situations. This is because Sudan has continued to be viewed--especially by Arabs--as the Arab and African country that could never become a victim of famine. In fact, several Arab institutions and the authors of a number of decisions of the Organization of Arab Economic Unity believe that Sudan represents Arab food security because of its animal and agricultural resources. Until just recently, Sudan exported meats and agricultural products to a number of states throughout the world. Why has Sudan been converted from Arab food security to the poorest nation in the world threatened by famine and general insolvency? In a statement to SUNA on 3 September, Ja'afar Numayri answered this question by saying that the decline in Sudan's economic situation is due to administrative chaos and the inability of the administration to play any role in rescuing the country from destruction. Therefore, Numayri promised not to rectify conditions, even if only

in part, but rather--perhaps because of his financial crisis--to dismiss large numbers of government workers and reduce the administration's expenditures. This is an acknowledgement by Numayri not only of an economic and political crisis but also of the spread of dishonesty, corruption, and administrative breakdown. It is an acknowledgement aimed not at reducing the administration's expenditures or rectifying some of its conditions but rather at appealing to the United Nations to offer further financial aid to the regime. While Numayri was summoning the SUNA representative to give him that statement and admission, Numayri's delegation at the UN Conference on the Less-Developed Countries in Paris was asserting to international economic and financial experts and the Western countries which are resolved to aid the poor countries that Sudan had found the defect which could be behind the condition of collapse. This defect was simply the number of government workers in the Sudanese administration, which far exceeded the need and had drained the state treasury of hard currency. The delegation said that the best solution to prevent the incoming aid from being spent uselessly was to curtail the number of government employees. The reality behind "administrative reform" may be to curtail the number of corrupt individuals who would get the international financial aid before it even arrived and restrict the aid to the "loyal forces," because Numayri also promised "political reform" within the Socialist Union Party! The strange thing is that when the Sudanese delegation was asked a question about the difficulty that the economists had become unable to solve, and how a rich agricultural country had been transformed into the poorest country in the world, Numayri's delegation said without hesitation that this situation was caused by the opposition, which was trying to "paralyze the national economy"--an economy based on justice and socialism. They said it was the opposition that was responsible for the lack of a cotton crop this year due to a cotton farmers' strike last year. Moreover, because of the strikes, the national economy had been paralyzed and the country was on the brink of famine. However, the Numayri regime is not considered responsible for the rise in prices, monetary inflation, smuggling of assets, diverting of foreign aid, and the offering of Sudan at public auction--all among the causes behind the strikes--since the administration is the responsible party because it is incompetent and based on corruption and dishonesty, as Numayri put it in his recent statement!

It remains to point out that Numayri's delegation at the international conference on the less-developed countries focused its attention on a single issue, namely, financial aid. The delegation was observed to applaud for a long time when French President Francois Mitterrand discussed the question of providing sufficient financial credits for development in the less-developed countries. The conference was another opportunity to enrich Numayri. For a number of years, Numayri has used all his available cards to get rich quick, as in the case of the refugees which he bargains over at the international level. The International Bank refused to provide financial aid without conditions when Sudan's debts accumulated and the regime was forced to request a postponement of the repayment.

Numayri believes that cooperation with the United States through Sadat or directly will achieve two things for him: First, a guarantee of continuous financial aid, or at least sureties with foreign banks; and, second, a guarantee of the security and stability of the regime through arms and a military presence. A report presented by Chamini Kuriyah (delegate from Sri Lanka), the secretary general of the UNCTAD who is charged with overseeing the UN Conference on the Less-Developed Countries, revealed that U.S. aid to the Third World countries does not exceed 0.02 percent of the American national income. The highest level of aid was offered by the oil states, which provided 0.18 percent of their national income. The report stated

that the major portion of the American aid was in the form of direct or indirect military equipment or aid. The dilemma in which Numayri has entangled himself lies in the fact that the United States will not give him any financial aid. The Reagan Administration has been content merely to increase the supply of arms for the role that Numayri could play in the Horn of Africa--providing he remains ruler of Sudan. For this reason, Numayri has turned to the remaining Western countries without producing any results due to the economic and political conditions imposed by the Western states, the minimum ones being correction of the economic situation and a guarantee of political stability. Recently he has begun to make the rounds of the international organizations asking for aid now that he has made Sudan the poorest nation in the world. The question to which the Sudanese delegation to the Conference on the Less-Developed Countries has not yet received any answer is this: Will the conference offer emergency financial aid to the Numayri regime?

In any case, even if the conference does decide to provide this aid, it will not take place at the present time because the conference is still at the stage of studying the economic conditions of the less-developed countries and investigating the reasons for the impoverishment and famine. Numayri may once again be faced with economic and political conditions placed on the provision of any financial aid, even over the long range.

8591
CSO: 4504/13

PRICE CONTROL COURTS WELCOMED

Khartoum AL-AYYAM in Arabic 25 Sep 81 p 1

[Editorial by Hasan Sati: "We Welcome the Price Courts for These Reasons"]

[Text] During the next 2 days, God willing, the new price courts will begin operations, after it was determined that they would be located in the three towns, six in Khartoum, four in Omdurman and three in Khartoum North, and after the acting chief justice agreed to the names of the armed forces officers as court presidents, and after the chief justice empowered them with his authority.

We would like to recall that in the 11 September issue of AL-AYYAM, we expressed our pleasure at their establishment. We said: "Let these courts commence, because their beginning means the start of many things, things that most people will recognize."

At that time, we did not predict the future nor comment confidently on the ramifications. However, we were fully aware that a new stage in protecting and maintaining the domestic front had arrived. We do look into the near and sometimes long-range future with respect to whatever the revolution has involved us in. We accepted the partnership confidently. I recall the president's speech at the first meeting with newspaper editors, in the presence of the minister of culture and information, and his press advisor, when he said: "I will meet with you monthly, but my hope is that you will not confuse that meeting with your duty as the people's observer and critic, and that you do not take anything I say too literally which could keep you from fully discharging your role. I will not protect anyone nor do I think anyone should be free of criticism."

We welcomed that, as we said, because the establishment of price courts is one of the arms of public control, or rather, a strong tool for this control, a show of respect for it, and the repository of its strength.

We welcomed that, because we know that speedy decisions, free from dawdling over actions, will be these courts' course of action, which will result in the sweet taste of public control but a bitter taste for the greedy and the bloodsuckers.

We welcomed that because the at-that-time unpublished news we received was that the armed forces' leaders were being very thorough in selecting presidents for these courts, going through very thick and long dossiers. The choice of a military man was excellent over anyone else. More than anyone else, they have discipline, control, accountability and decisiveness.

We welcomed that because we were greatly pleased at the question of prices and supervision over the markets. Even the word 'market' has become associated with wealth and corruption, causing them to be almost a state within the state where neglect has reached a point of conspiracy and a fertile field for counter-operations against our domestic front.

We welcomed that because we know that establishing these courts within our public and political framework is a practical experiment. This is an experiment that these organizations wanted, after much palaver which was and is being stirred up about their performance and dynamism, or rather, some of their leaders sinking into a morass, more than their being generally idle.

We want this for the organizations, because in full view of an emergency national conference which will concern itself with many national action factors, we will demand in the newspaper that the results of this experiment be provided to the political and public revolutionary apparatus. Its results must be announced to the emergency national conference, especially in view of the state's negligence toward the market for some time. We have said that they might fill the organizations' vacuum, if they were to perceive that, especially since the market has got to where it is without the state being involved in satisfying the citizens through what we call the public and political organizations.

Finally, we welcome that because we know that the prices and the speculation are a facade behind which lurk the herd of plotters against the revolution, with their riches and wealth, and above all their hatred. In eliminating that facade, this herd and its plundering has been exposed, which is one of the important tools in combatting them. The people who despite everything have remained steadfast, have not let the revolution down and continue to make progress toward fulfillment of their promise.

For all these reasons we welcomed and do welcome the start. We emphasize again to the president, the national security council and the officers of our people's armed forces that they must begin. This beginning means the start of many things.

Footnote:

I hope that this does not activate the fanatics and lovers of sophistry to discuss the so-called constitutionality of these things, as was the case with the campaigns to keep order in the streets, because the question here is different. I will postpone this until the day after tomorrow. I will pursue the small fuss stirred up over the campaigns to keep order in the streets.

7005
CSO: 4504/34

CENTRAL REGION WATER SUPPLY MEASURES REVIEWED

Khartoum AL-AYYAM in Arabic 21 Sep 81 p 4

[Article: "Extreme Concern Over Water Supply"]

[Text] In AL-AYYAM's tour around ministry offices, we visited the Ministry of Construction and Public Works in the Central Region to ask about the 6-month program. We acquired information indicating the implementation of numerous projects pertaining to ministry activities, including numerous projects, plans and studies. Leading the way were actions by which the ministry will take over providing water services, housing plans, and the maintenance of roads and ports.

Rural Water

In al-Jazirah: The water board in al-Jazirah has been able to replace the water station motors that were inoperable. During the 6 months, 10 subterranean wells will be dug in various areas of the province, at a cost of 100,000 pounds, and six other wells, costing 240,000 pounds, distributed through eastern al-Jazirah, the rural councils of al-Mu'ayliq, al-Meheiriba Abu Qutah, and al-Shabariyah.

Partial construction of seven water stations will also be completed, costing 105,000 pounds, spread over 24 (qurshis) in Manaqil, eastern al-Jazirah and the rural councils of Tambul and al-Meheiriba.

Work is also underway to construct the Guladab well in the rural council of al-'Aydaj in eastern al-Jazirah, at a cost of 60,000 pounds, to connect the water network to five places in the district, to carry out full maintenance for 20 mechanical units and replace 10 other units, and for 10 cisterns, costing 160,000 pounds.

Blue Nile

In the Blue Nile province, it was decided to have wells dug by the Afro-Arab Company, with which a contract was concluded, and to pay it half the cost, amounting to 50,000 pounds.

Four wells were also dug by the ministry's unit. Full installation was done for five sites, valued at 200,000 pounds. There was partial installation of seven wells and construction of two wells in the rural council of Sannar Abu Hugar, at a cost of 120,000 pounds. Five wells will also be repaired in the rural council of Baw al-Mazmum and al-Kurmuk.

The plan is to maintain eight other wells in al-Kurmuk, located in the areas of Dandaru, al-Kayla and Agada, at a cost of 800,000 pounds.

White Nile

Ten wells, costing 220,000 pounds have been dug, and three others will be completed in the Id Umm 'Asha, Daghur and al-Hufaynat areas.

The plan calls for partial installation of nine wells, at a cost of 235,000 pounds, in various areas of the province. Construction of the Qurn al-'Atashan well in the southern White Nile area cost 40,000 pounds. The Abu Dulu' well will also be constructed at a cost of 50,000 pounds.

Water Board

With respect to general planning, the water board in the construction ministry, during the 6-month period, will implement its program with regard to digging and erecting water stations, constructing hafirs, well maintenance and replacing some of its operating units.

At a cost of 1,832,000 pounds, it has also decided to carry out an intensive study to learn the dimensions of the subterranean water reservoir, and to find new sources of underground water as an alternative to wells in the western al-Jazirah, and another study of the course of the al-Khayran, amounts of rainfall and evaporation, the digging of some exploratory wells, and to learn the appropriate places for bridges in the Ingessana area.

Construction and Buildings

In the area of construction and public works, the ministry will implement all the new facilities and maintain all governmental offices in the region.

The new buildings are highlighted by hospitals, health clinics and research centers. These projects cost 2 million pounds. The ministry will also complete some buildings, including schools, a dairy products research center in Barakat and numerous governmental facilities.

The Ministry of Construction and Public Works has also used the branch organization for irrigation actions, acting on its behalf, to implement some regional government buildings at a cost of 1,200,000 pounds.

Agreement with the Chinese and Germans

An agreement was concluded with the Chinese to design a childrens' hospital in Madani. The Chinese will finish the designs during the next few months, so that work can begin.

Another agreement was reached with a German firm to draw up studies and designs for the Madani city sewage system, with German assistance.

The ministry has also begun work on the Abu Huran bridge in Madani and the construction of a modern brick factory, and preparations are well underway.

A Sudanese-Kuwaiti company for trade and contractors has also been formed in the Central Region, to work in the fields of trade, well digging, housing complex construction, construction of a building materials factory and a project for dairy products, fodder and cattle fattening.

Housing

A program has been established to replan five villages in the al-Jazirah district and planning for approximately 800 housing units in the airport area and other areas of Madani.

Second phase units were raised to 1250, east of the Nile. Land planning south of al-Darjah in Madani is being done with the al-Jazirah bureau to clear this land of weeds.

Two-hundred second-phase units are planned in Rifa'ah.

Work is underway to eliminate dampness in 300 housing units in Sannar.

15,000 square meters in the al-Damazin market has been planned for investment. There is land prepared for investment in Sannar, Kosti and Rabak.

Land

Contacts are underway with agricultural authorities to list government agricultural lands for lease to those who will improve them with agricultural projects.

Land in the Madani market, suitable for four buildings, was sold.

Land in al-Dayyum, al-Damazin and al-Hasahisa was sold to emigrants.

Transportation

Government vehicles have been centralized and given serial numbers for use in supporting the various workshops. The system for the procurement and control of petroleum products and spare parts has been centralized.

Electricity

The sum of half a million pounds has been allocated to support rural electrification in various parts of the region.

City Water

During the 6 months, a start will be made on actions to take over the city water stations in the region, which were subordinate to the Central Electricity and Water Board. There are 20 of these stations.

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LONG-RANGE PLANS FOR UTILIZATION OF NILE WATERS

Khartoum AL-AYYAM in Arabic 24 Sep 81 p 5

[Article by 'Abd al-Rahman Ibrahim: "Skeletal Plan For Nile Water Utilization Up to 2000; Four Integrated Projects to Generate Energy and Intensify Agriculture"]

[Text] With financing from the International Bank, the Kuwaiti Monetary Fund and the Saudi Development Fund, the Ministry of Irrigation assisted by a group of consulting engineering firms, has conducted studies to draw up a comprehensive, pan-Arab plan for utilization of Nile waters through the period 1980 to 2000. These studies were completed during 1976-79.

Basic Resources

The basic water and land resources, upon which the plan was based, are composed of Sudan's share of Nile water amounting to about 20.35 billion cubic meters in central Sudan, in addition to a supplementary supply from projects to increase the Nile's yield, estimated at about 6 billion cubic meters. Therefore, Sudan's share is sufficient for 7.5 million feddans of the land suitable for irrigation, estimated at 10 million feddans. In this study, a plan of areas was followed in conjunction with the tributaries of the main Nile River, including the Nile areas of the White Nile north of Malakal, the Blue Nile, the 'Atabarah River and the main Nile. The study also took into consideration three ways to utilize Nile water resources in the public and private sectors. They can be summarized as follows:

1. Improve and enhance existing projects
2. Recondition new acreage, to include:
 - a. Projects previously specified
 - b. Choose new projects on the basis of technical and economic design
3. Determine effective electrical energy projects.

Technical Studies

It is well known that there have been numerous technical studies conducted by the Ministry of Irrigation since the 1950's, on the basis of which projects currently included in this plan were determined, so that Sudan could exploit its share of

Nile water. This is considered the first plan to be based on the science of determining economic and social balance, in addition to technical and engineering measurement standards, to set the priorities of irrigation and hydroelectrical projects, through the help of advanced means, including the use of program analysis and computers for scientific planning.

Proposed Projects

The plan includes a project to improve and intensify irrigation in existing irrigation projects and pumping projects on the Nile and its tributaries, which will increase irrigated plots annually by 15 percent, along with the possibility of new additions of land available for this project. Moreover, the plan has included projects that were previously selected and given top priority.

These include:

- | | |
|---|-----------------|
| 1. White Nile project, south of Malakal | 250,000 feddans |
| 2. Malut sugar project | 40,000 feddans |
| 3. Malakal rice project | 10,000 feddans |
| 4. Animal production projects--private sector | 230,000 feddans |
| 5. Upper 'Atbarah project | 500,000 feddans |
| 6. Electric power generation project on the al-Jayl River, 20 megawatt, first stage | |
| 7. Projects to increase the Nile's yield by 6 billion cubic meters. | |

On the basis of economic balance for projects, the following projects were selected which include an integrated, well-coordinated group in the field of irrigation and generation of hydroelectric power:

1. Enhancement of the Rusayris reservoir for irrigation and energy in Rusayris and Sannar.
2. Muruwy reservoir project to generate hydroelectric power, amounting to 600 megawatts.
3. The second Rahad project or Kinanah Kubra, with 400,000 feddans.
4. Enhancement of the al-Jazirah project.

When programs are drawn up to implement the plan's projects, the need for exact coordination between projects to increase the Nile's yield and irrigation projects, which depend on those yield projects, must be taken into account, along with the importance of beginning the project to enhance the Rusayris reservoir. This will make it possible to have an additional water storage area to fully carry out the proposed main expansion projects, along with ensuring the generation of hydroelectric power in the Rusayris and Sannar reservoirs. The foundation has been laid for that, as the plan makes clear.

Basic Elements of the Plan

1. Achieve the main expansion, in order to develop and intensify irrigated agricultural projects and achieve an estimated increase of 718,000 feddans by the year 2000.
2. Achieve the horizontal expansion which guarantees equitable distribution of growth programs among the various Nile areas in the country, amounting to 1,663,000 feddans.
3. Achieve balance in utilization of Nile waters for expansion in irrigation projects, and increase the generation of hydroelectric power from the current 158 megawatts to 958 megawatts by the year 2000.
4. Observe the need to implement Nile yield projects on schedule, in order to supply the water required for the proposed projects. This total yield will amount to about 6 billion cubic meters by 2000.

The costs of this plan for the public sector are estimated at approximately \$6 billion to achieve the ideal utilization of resources through the plan. The coordination which was followed in the program of implementing the plan has led to the ideal utilization of the Nile water available to Sudan, as well as what will be available through the plan.

Enhancement of the Rusayris Reservoir

According to the program designed to be completed in 1986-87 to provide agricultural and electrical power requirements alone, not to mention principal and horizontal expansion for irrigation projects in the Blue Nile area, pumping projects along the Blue and White Nile must be combined and enhanced.

The plan aims at supporting and improving the currently existing pumping projects as a first stage. In the next stage, improvement of services will be extended.

Enhancement of al-Jazirah Project

The project is aimed at 100 percent enhancement in a three rotation framework, composed of cotton, peanuts and wheat. Acreage for all three crops will be increased by 89,900 feddans.

Irrigation by Underground Water for Land Bordering the Nile

The plan has taken into account the subterranean water basin contiguous to the main Nile River, in regard to irrigating al-Kunaydrah, located below the 'Atbarah River, and the areas of Wadi al-Musuj and Wadi al-Ka'b. The development cost was estimated at about 740 pounds (underground water) per feddan. The plan includes the restoration of 63,000 feddans in the area of Wadi al-Khawa and the area below the 'Atbarah.

Water Allotments and Efficiency in Use of Irrigation Water

Sudan was divided into 16 districts, and water allotments for crop irrigation was determined on the basis of growth and yield factors, along with considerations of

quantities of rainfall, characteristics of soil and water runoff, evaporation, circulation through canals, and the extent of the need for irrigation before planting. The consultants' study came to the conclusion that the only thing in present practise was use of irrigation water derived from the use of water allotments, over and above the required need to irrigate the various crops. However, the study recommended improving the management of irrigation and drainage water, and estimated the cost and profit, to ensure water distribution within the borders at a higher efficiency than is now the case.

Studies to Classify Soil and Crop Composition

1. Studies have made clear the need for haste in conducting surveys and classifications to determine soil suitability for irrigated agriculture in the areas located south of Malakal.
2. A study has been made of the ideal crop composition, from the economic point of view, to utilize the water and land of the various Nile tributaries, and to determine crop rotations and degree of intensity. The study indicated that a crop composed of the cotton cycle and 5 percent vegetables represents the ideal crop composition.

Animal Husbandry Projects and the Private Sector, Within the Framework of the Irrigation Projects Plan

Within the plan's framework, 1 billion cubic meters will be allocated to irrigate 230,000 feddans to develop the livestock resources, including 50,000 feddans to be restored in the al-Sulait and al-Wahah projects and 150,000 feddans south of Sannar. In addition, there are 100,000 feddans proposed within the two upper 'Atbarah projects.

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ACHIEVEMENTS OF 10-YEAR FEDERATION CITED

London 8 DAYS in English No 48, 5 Dec 81 pp 37-48

[Text]

How Diversity Has Helped United the Federation

THE United Arab Emirates celebrated its tenth birthday as a sovereign federal state on 2 December. A decade ago, as the plans for the new entity were being drawn up, there were plenty of voices raised in gloomy prophecy. It was an artificial creation, they said, a typical hotchpotch left behind by the retreating imperial power. Indeed, Britain had controlled the foreign policy and defence of the entire Trucial States since 1892.

Originally it was planned that the UAE should embrace all the old Trucial States, including Bahrain and Qatar. But in the discussions after the 1968 British announcement to withdraw troops and administrators, those two states decided not to join the new confederation.

Qatar, although it shares a border with Abu Dhabi, preferred independence and close relations with the Saudis. The Qatari decision confirmed the inclination of the island state of Bahrain to go it alone as well. The emirate of Ras al Khaimah, the most fertile of the Trucial States, did not decide to join the UAE until February 1972.

Critics of the confederation believed that the old rivalries between the emirates could not be overcome to produce an effective entity. But in its first decade the UAE has proved all its detractors wrong: the differences in attitude and outlook among the seven states, far from impairing unity, have enriched the country.

A major part of this success is due to the way in which Sheikh Zayed bin Sultan al Nahayan, the emir of Abu Dhabi and president of the UAE, has worked with his

vice-president, Sheikh Rashid bin Sayed al Maktoum, the ruler of Dubai.

When the discussions that were to lead to the formation of the UAE began, it was obvious that Abu Dhabi would be the senior partner in terms of oil wealth. However, Dubai, with its long commercial traditions, was better versed in administration.

Sure enough, as Abu Dhabi mushroomed in the early 1970s — growing from a small port, with a few thousand dwellings and its imposing fort, to an ultra-modern capital — Dubai also expanded from both sides of the Creek which had for so long brought it prosperity.

There was certainly rivalry between the two cities, but neither ruler allowed it to get out of hand. Abu Dhabi remained the seat of government, with branches of most ministries in Dubai. (The individual emirates run their local affairs from departments, not ministries.)

It was perhaps an advantage that neither of the leading emirates had been the de facto capital of the Trucial States. The British had based themselves in Sharjah — from which, in 1969, the one metalled road (only 10km long) in the emirates ran to neighbouring Dubai.

In recalling the federation's evolution, Sheikh Zayed said: 'The concept of solidarity was not known before among Gulf citizens, and suddenly we meet, for good or evil, inside a federal state . . . The situation has been getting better, year after year. In time the federation has developed, and the citizens have begun to demand that it be consolidated and supported.'

'There were many gaps in the federation, sometimes dangerous ones, and the citizens lost their patience, saying that their wealth is threatened in view of the many changes in the area.'

'There are various different federal concepts. Federal work has different directions, and people must be convinced that they have an interest in the federation, as the trader has in his trade and the farmer in his crops. I am trying to plant this interest in the citizen, because the citizen will benefit from it; he will preserve and defend it.'

'Circumstances no longer permit patience, as before. The situation has changed considerably, and what was available four years ago no longer exists. The situation in the area has been turned upside down from the roots, and things have to be changed.'

'When I was young, I used to hear from men who were older than I that each time has its own country and men. I used to wonder what was the meaning of that, until I realised that men are the ones who change. Things, time, states and circumstances also change, but it is men who impose the change.'

The changes that have been imposed upon the UAE in the last decade have taken the federation from a virtual subsistence economy to modern, bustling, prosperous statehood. In many respects the people of the UAE have absorbed the changes well. But, inevitably, there have been areas of strain and there are still serious problems to be solved. Not least is the presence of foreign labour, which has been needed to install, service and run the industries, hotels and projects that have sprung up in recent years.

In 1968, indigenous citizens constituted 90 per cent of the population of around 180,000. Provisional figures for the 1980 census indicate that, of the 1.04m people in the UAE, around 280,000 (27 per cent) only are UAE citizens. This means — working on the conservative estimate that each Arab family has five members — that there are only some 56,000 heads of household in the federation.

The government will not release the final census figures for at least another year. Although the first five-year plan is still in draft form, and is believed to be the subject of extensive debate among the federation's council of ministers, one thing is quite clear. This is that a heavy emphasis will be incorporated in future plans on the need to contain the country's vast foreign labour force,

and work towards actually reducing the reliance on immigrant workers.

Mohammed Hosny, an IMF economist, has been following the formulation of the five-year plan closely. He comments: 'While the plan envisages continued high rates of real GDP growth, special emphasis is placed on the careful balance between growth and basic social objectives.'

Hosny points out that, in the country's immigrant population, there are a large number of unskilled workers. By reducing their numbers, and concentrating on skilled foreigners, the total immigrant workforce could probably be reduced significantly without harm to the economic growth targets.

The federal government is intent on training UAE citizens for skilled work. Failing the availability of its own citizens, the authorities are pursuing a programme of recruiting Arabs rather than other foreigners. Al Jarwan, the minister of labour and social affairs, has begun urging government departments and commercial enterprise to give priority to the employment of Arabs.

This policy is being complemented by a series of special agreements with other Arab governments, which will both encourage and regulate the recruitment of Arab workers. Dubai, as a trading centre, has naturally had a cosmopolitan outlook, hosting many foreign workers — but it is backing the central government drive. The Dubai Chamber of Commerce has also announced its support for the policy.

The plan for the whole UAE is that, over the next five or six years, around 300,000 unskilled foreign workers will leave and be partially replaced by qualified personnel. It has been estimated that this may produce a real drop of about 70,000 foreigners.

There is also the problem of the illegal immigrants, mostly Asians, who work in the country. Sources have put the number of 'illegals' at between 50,000 and 60,000. A day seldom passes without newspaper reports of action in the courts against these illegal workers, who have either entered the country without papers or stayed on after their work permits expired.

The government and the police have stated their intention to crack down on illegals and, more important, upon the racketeers who charge large sums to smuggle them into the country — and then sometimes make more from them by way of blackmail.

One Indian trader in Dubai *souk* told *8 Days* that the illegals were also unpopular

with their fellow countrymen, who felt their presence was jeopardising that of the immigrants working legally. 'I believe that the authorities can expect a fair degree of cooperation from legal foreigners in cleaning up this business,' he said. He warned, however, that poor work prospects in India, Pakistan and Sri Lanka made the prospect of relatively high wages in the Gulf irresistible to many, who paid large sums to smugglers to get them into Gulf countries.

The smugglers are apparently trying to counter the UAE police patrols by becoming even more unscrupulous, forcing illegal immigrants to swim ashore through the dangerous currents and reefs that line the coast.

One story going the rounds in the Indian community at the moment is of a group of Indians who paid to be smuggled to the UAE from Bombay. They spent some days at sea and were finally given a few UAE dirhams each and told to swim ashore. When the illegals made land, they walked along a road and sheepishly entered a small village — where it soon dawned on them that, far from being dropped off in the Gulf, they had actually been put ashore in Pakistan. The Indian ship that had brought them was far away by the time they made this discovery.

But aside from the illegals, the UAE authorities do recognise that there are severe social problems with the Asian community in the federation. Because most Asians are unskilled, they are not allowed to bring wives and families. An example of the concern for the plight of these men came recently, when a senior Dubai police officer suggested that a system should be devised that would allow men to bring their wives.

In any event, there is a great deal of overmanning in the UAE. It is a common sight to see a whole group of workers doing a job that could undoubtedly be done by one or two. One evening, this reporter noticed a small building site in Dubai where a pit was being dug for foundations. About thirty Asians were hard at work with picks and shovels. The earth they were removing was being slung into a heap which was in turn moved by a large mechanical shovel which was actually designed to do the excavation itself.

Though the first five-year plan is understood to be committed to further construction work, the major building boom — which made the UAE into a honeypot for the world's contracting companies — is over.

There is still much work to be done, but the huge projects like Jebel Ali, Port Rashid, the emirates' airports and hotels, and the impressive expansion of Abu Dhabi — together with the fine roads that now link the country — are in the main completed.

There are some indications, however,

that the ~~property~~ market still has a head of steam. While rents in Dubai have softened, those in Abu Dhabi remain high — in some areas, they are three times the rent on a comparable property in Dubai. And figures produced at the end of 1980 showed that the Abu Dhabi property boom is still alive and well.

Speculation in property had grown steadily until 1979, when 45 per cent of all credit raised was invested in flats and offices, while only 27 per cent was put into trade. In March 1980, the property investment figure had fallen to 43 per cent of credit — but the trade investment of loans had also slipped, to 24 per cent.

Dubai, on the other hand, invested its raised capital in the opposite manner. There the lion's share went to commerce; less than a quarter of credits were ploughed into property.

Abu Dhabi actually needs the property speculators, because there is a real housing shortage. It has pressed rents so hard that an ordinary detached house can cost between \$30,000 and \$50,000 a year. It is not possible to own a freehold in the emirate.

There have been reports, moreover, that the accommodation situation is so bad in the capital that many people prefer to live in Dubai or Sharjah — and make the 90-minute drive each day to and from Abu Dhabi along the new dual carriageway.

Some observers fear that the capital's position as a major centre for regional business could be jeopardised unless something is done about rent levels. They suggest that rents should be pushed down with the market force of a crash building programme, or otherwise regulated by law. However, a spokesman at the Abu Dhabi department of information said: 'There is a problem here, but it is not as bad as some people say. Surely the rents are high because people and companies are prepared to pay them — because they know that their best operations bases are here in the capital.'

In fact, commercial concerns, whether local or overseas, often duplicate their Abu Dhabi offices in Dubai. Businessmen do not feel that this leads to any inefficiency, given the excellent road, air and telecommunication networks between the emirates.

The Provisional Constitution of the United Arab Emirates

WE, THE RULERS of the Emirates of Abu Dhabi, Dubai, Sharjah, Ajman, Umm al Qwain and Fujairah:

Whereas it is our desire and the desire of the people of our Emirates to establish a Union between these Emirates, to promote a better life, more enduring stability and a higher international status for the Emirates and their people;

Desiring to create closer links between the Arab Emirates in the form of an independent, sovereign, federal state, capable of protecting its existence and the existence of its members, in co-operation with the sister Arab states and with all other friendly states which are members of the United Nations Organisation and of the family of nations in general, on a basis of mutual respect and reciprocal interests and benefits;

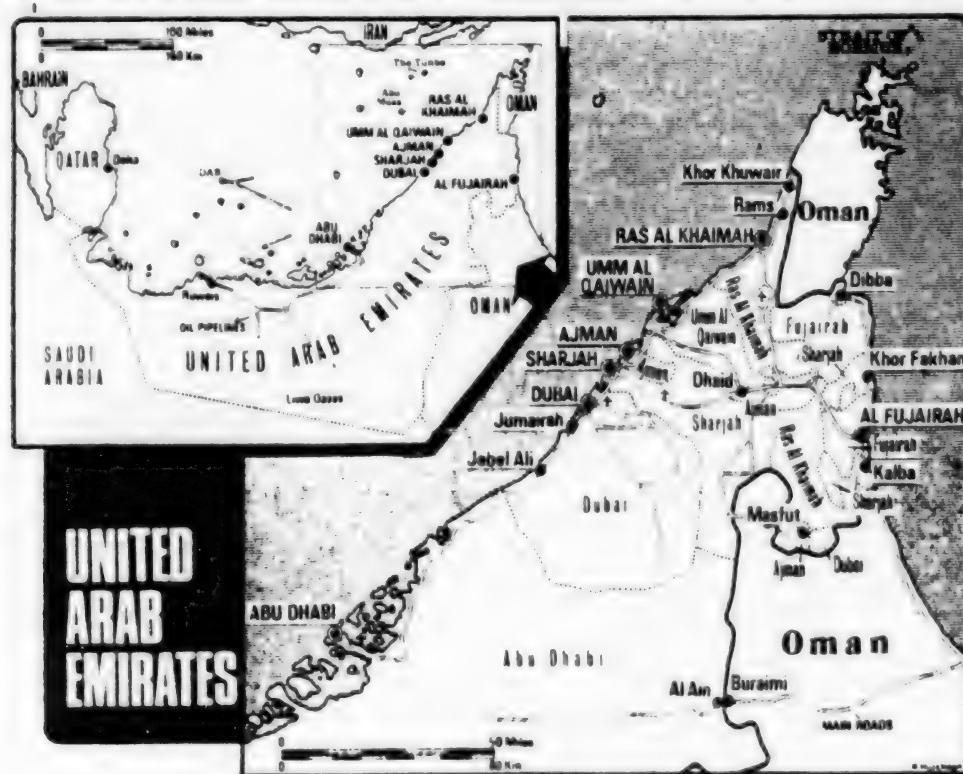
Desiring also to lay the foundation for federal rule in the coming years on a sound basis, corresponding to the realities and the capacities of the Emirates at the present time, enabling the Union, so far as possible, freely to achieve its

goals, sustaining the identity of its members providing that this is not inconsistent with those goals and preparing the people of the Union at the same time for a dignified and free constitutional life, and progressing by steps towards a comprehensive, representative, democratic regime in an Islamic and Arab society free from fear and anxiety;

And whereas the realisation of the foregoing was our dearest desire, towards which we have bent our strongest resolution, being desirous of advancing our country and our people to the status of qualifying them to take appropriate place among civilised states and nations;

For all these reasons and until the preparation of the permanent Constitution for the Union may be completed, we proclaim before the Supreme and Omnipotent Creator, and before all the peoples, our agreement to this provisional Constitution, to which our signatures were appended, which shall be implemented during the transitional period indicated in it;

May Allah, our Protector and Defender, grant us success.



Fujairah and Khor Fakkan (in the Sharjah enclave) to the east of the UAE are developing as holiday centres. With the rationalisation of capital projects within the UAE, which is understood to be part of the five-year plan, it would be fair to believe that the disposition of commercial interests within the country will eventually shake down to their logical bases, spread in the main between Abu Dhabi, the industrial complex at Jebel Ali, Dubai and Sharjah.

Profile of the Oil Industry

OIL WAS first found in commercial quantities in Abu Dhabi 21 years ago. The emirate now accounts for 80 per cent of the UAE's oil production, and known reserves are expected to last for nearly 60 years at current production levels.

This picture was rosy enough for Abu Dhabi and the UAE as a whole — when last June, oil minister Dr Mana al Otaiba announced the discovery of huge quantities of gas which could well mean that the UAE now holds the world's second largest known reserves.

The gas field was discovered beneath the existing offshore Zakum oilfield. Precise details of the find have not yet been released, but when it is added to the 100 trillion cubic feet of unassociated gas already discovered in the neighbouring Umm Shaif offshore field and the 90 trillion cubic feet in the Bab onshore field, it seems clear that Abu Dhabi is set to become a leading producer of gas as well as oil.

In terms of oil reserves, Abu Dhabi ranks sixth behind Saudi Arabia, USSR, Kuwait, Iran and Iraq. Its development has not been rapid, considering that exploration was first permitted in 1939. In that year, the then ruler of Abu Dhabi granted a 75-year concession covering all his territory, including coastal waters and islands, to the Abu Dhabi Petroleum Company, which at that time was owned by the British-run Iraq Petroleum Company.

The second world war and boundary disputes with the Saudis held up any determined exploration until 1947, when geophysical work began, followed by the spudding of the first exploration well in 1950. In 1953 the Murban No 1 well produced the first gas and oil find, but the flow was disappointing and the structure complicated. The well was abandoned. It wasn't

until 1959 that the riggers returned to the Murban field and sank two more wells, the second of which proved capable of production. Even so, liftings from the Murban field didn't begin until the end of 1963.

Offshore production in the emirate had begun the year before. The first offshore permit had been granted in 1953. Following seismic surveys, the first well was sunk in January 1958, in the Umm Shaif concession. The well, 32km from Das Island and 128km from the Abu Dhabi mainland, was a success.

The emirate's second offshore field, the Zakum, 96km east of Das and 88km from the mainland, was discovered in 1964 and came onstream in October 1967. Both these fields pump their oil to the terminal at Das, as does the Bandaq field which Abu Dhabi shares with Qatar. The emirate also produces oil from the Abu al Bu Koosh field, which is an extension of Iran's Sasan field, and from the Mubarraz oil field, about 60km from the mainland, which pumps to a terminal on Mubarraz island.

The emirate's oil and gas production is overseen by the Abu Dhabi National Oil Company (ADNOC), whose chief executive is Mahmoud Hamra Krouha, an Algerian. As the state oil company, ADNOC takes a 60 per cent stake in all oil activities in the emirate.

There are two main operating companies. The first is the Abu Dhabi Company for Onshore Operation (ADCO) in which ADNOC holds 60 per cent, with Shell, Compagnie Francaise des Petroles (CFP), British Petroleum, the Near East Development Corporation (Exxon and Mobil) holding 9.5 per cent each, and Partex with two per cent. The second company is Abu Dhabi Marine Areas Operating Company (ADMA-OPCO) in which ADNOC again has a 60 per cent stake, British Petroleum 14.7 per cent, CFP 13.3 per cent and the Japan Oil Development Company (JODCO) 12 per cent.

Krouha has said that under the Five Year Plan (1981-85) ADNOC is to invest UAE dirhams 38bn (\$10.35bn) in large-scale expansion of exploration and production and equipping the industry with sophisticated technology. ADNOC plans to place special emphasis on expansion of its crude refining capacity. The output of the Umm al Nar refinery is to be raised from 15,000 b/d to 75,000 b/d by 1983 and the major refinery at Ruwais is to have its capacity raised from 240,000 b/d to 300,000 b/d by 1984.

Earlier this year discussions started between Shell, Idemitsu of Japan and ADNOC on a joint venture fuel oil cracking plant at Ruwais. This \$500m installation would have two units with a capacity of 27,000 b/d each.

The Ruwais refinery, which was built for ADNOC by the Italian company Snamprogetti at a cost of \$550m, started production in June this year. Work on expanding the refinery is due to start soon.

Ruwais also hosts the new \$1.8bn gas complex which uses associated gas from the Bu Hasa, Bab and Asab oilfields to extract propane, butane and liquefied petroleum gas (LPG). The first shipment of LPG for Japan, where importers contracted this year for a total of 1.44m tonnes, left in August. However production cutbacks at the well heads, plus teething troubles with the Ruwais plant, cause observers to believe that for the time being LPG liftings by the Japanese will be only half of that target.

In line with the decision of its Opec partners, UAE cutback production in June this year. For Abu Dhabi this meant a drop of about 175,000 b/d, 50,000 b/d of which had been put on as crisis supplies after the start of the Gulf war, and had been taken by French companies. This effectively reduced Abu Dhabi's production to around 1.06m b/d, representing a decline of 24 per cent on corresponding figures for June 1980.

However, the revenue cuts this caused affected only the amount that would have gone into reserves in any event, and the recent strengthening of the dollar has to some extent compensated for the losses.

The effect of the voluntary cutbacks on Dubai might have been more serious had it not been for that emirate's soaring non-oil trade. Exports, in particular from Dubai (aluminium), Dugas (gas) and asbestos and foodstuffs are expected to earn the emirate \$544m this year.

The search for oil in Dubai began in May 1937, when extensive onshore surveys were made without any indication of commercial reserves. However, in 1966 the Fateh oil field was discovered, 90km offshore. It began producing in September 1969. A year later, the south-west Fateh field was discovered. Production is stored in three vast submerged tanks which have been lowered 48 metres to the seabed. In 1973 another oilfield, this one only 48km from the mainland, was discovered and named the Rashid field. It came onstream in 1979 and by 1980 had an average daily production of 2,433 barrels. In November that

year the emirate produced its billionth barrel of oil.

The Rashid and Fateh fields all supply gas to the Dubai gas company, Dugas. Oil production in Dubai peaked in 1978 when liftings averaged 362,346 b/d. During 1980, the average dropped back to 349,274 b/d. This year has seen a continuation of the trend, in the main because of sluggish world markets and its share of the voluntary Opec production cut of last June. Output for the first quarter of 1981 was 310,000 b/d and there is evidence that at the half year, liftings had dropped to around 300,000 b/d.

Dubai hasn't given up hope that there may be onshore oil in commercial quantities. The Dubai Petroleum Company, which under the chairmanship of Mahdi Fajir, a close adviser of Dubai's ruler, Sheikh Rashid, oversees the emirate's oil production, recently signed a deal with Arco Dubai, a subsidiary of the US Atlantic Richfield company, which will allow Arco to prospect over 760,000 acres for the next 35 years. One promising area is near Jebel Ali, where in 1980 Sedco and Houston Oil spent five months drilling. It is known that oil was discovered, but in what quantities and how commercially viable the find would be, has yet to be determined.

At the moment Sharjah is the only other emirate in the UAE that produces oil. The bulk of production comes at present from the Mubarak field, close by Abu Musa island, which at the formation of the UAE a decade ago, was seized by the Iranians together with the two Tumb islands claimed by Ras al Khaimah.

Because of the Iranian occupation of Abu Musa, Sharjah was forced to share revenues from Mubarak with Tehran, though some commentators believe the Iranians have never actually taken up their share. Umm al Qaiwain receives 15 per cent of income from the field. Mubarak certainly isn't one of the world's biggest oilfields. The highest production from the field was 38,300 b/d in 1975, which fell to 28,200 b/d in 1977 and 13,500 b/d in 1979. Pessimists believed that the recoverable crude would probably be exhausted by the end of this year, but liftings continue from Mubarak and are understood to be running at around 10,000 b/d.

However, Sharjah's future is suddenly brighter thanks to onshore finds in the Sajaa field in the desert. Three wells have been sunk and Amoco Sharjah has reported good results. The first of the wells, Sajaa 1, is expected to produce 50m cubic feet of gas a

day and about 5,000 b/d of condensate. Sajaa 2 is expected to yield 22m cubic feet of gas a day and 2,000 b/d of condensate. Work on clearing and grading a site for production storage and processing of the Sajaa output — which it is planned to start late next year at 250m cubic feet of gas and 25,000 b/d of condensate, is underway at a base camp about 6km away from the main road between Sharjah and Daydh.

When this reporter came across the site, an American employee of Amoco, a Mr McAllister, went to a lot of trouble to Gulf Oil has been drilling in an offshore concession since April this year. The most hopeful areas are between Hamraniyah and Khat and Jazirah al Hamra on the coast. An Amoco-Gulf consortium spudded their first well in May this year near Ras al Khaimah international airport. It turned out dry but further drilling is expected.

Oil geologists suspect that the Sajaa formation in Sharjah may well continue into Umm al Qaiwain territory. Houston Oil and Texaco are both involved in explorations in the formation. Umm al Qaiwain also has possible unassociated gas offshore, though not enough tests have been done to say how large such reserves may be.

Ajman too, may be able to take a share of the Sajaa formation. Exploration drilling is due to start about now. Since neither Ajman nor Umm al Qaiwain has any oil production infrastructure, it is likely that whatever discoveries are made, production will be channelled through Sharjah, which already has a terminal.

demonstrate all the different ways of leaving the area. The road that led to the three Sajaa rigs was difficult enough. When we took it, as if by an unseen radio signal, pieces of wood with big nails sticking up from them, were scattered across the track, inhibiting further eyewitness examination of the good fortune that has come to Sharjah.

The new find is expected to boost Sharjah's oil earnings to around \$250m in 1982 and to about \$1bn by 1986. The Sharjah find has encouraged the other northern emirates. Early in the 1970s oil was discovered in Ras al Khaimah, but the field was difficult and had no commercial possibilities. Exploration, however, continues. A Canadian company, Gulfstream Resources, is prospecting in the emirate and

Industry Capitalises on Local Resources

THIS YEAR, the first graduates from Al Ain University took up jobs in industry in the United Arab Emirates. These young men are the first of a new breed of highly trained technocrats essential for the country's new and growing industrial base.

The UAE government knows that without sound diversification, when oil ceases to be a premium fuel, the economy of the emirates will be in jeopardy. The establishment of a downstream industry by both Dubai and Abu Dhabi is only a partial solution, because that too is based on a finite feedstock. The creation of new industries not based on petroleum has therefore been a farsighted move.

In Abu Dhabi, the non-oil sector of industry is overseen by the General Industrial Corporation (GIC). It was set up in 1979 as a purely government institution but this year allowed the participation of private commercial interests.

The GIC has wide ranging powers. In addition to licensing new private projects, it also carries out feasibility studies on, and promotes, ventures.

It can also participate directly in projects, but only those that require such high investment that the capital cannot be raised from the private sector. Some of the ventures with which it has been involved have been a steel rolling mill, brickworks, plants for compost and animal feed, as well as factories producing paper bags and concrete blocks.

The soaring value of property in Abu Dhabi City has forced light and service industries to move to the outskirts of the capital. The authorities have encouraged this move, particularly to Al Musafah which has its own small port, by offering subsidised power and cheap leases. Al Musafah is a thriving centre for vehicle repair and conversion, food production and distribution, as well as light engineering workshops, factories for fertilisers, fibreglass and plastic piping.

An important area of development has been the support industry for the oil fields. A large amount of equipment is stored and serviced on Sadiyyat Island where the Abu Dhabi Drilling Chemicals and Products Company (ADDCAP) is based. ADDCAP produces over 120,000 tonnes a year of ground ore for drilling and between 2,000-5,000 of drilling chemicals a month

— the variation depends on the demand.

The schemes that are now getting the go-ahead include tyre production, batteries, salt and lime, all of which are planned for Abu Dhabi's old desert capital at Al Ain.

Five years ago Jebel Ali was just a barren patch of land on the old road between Dubai and Abu Dhabi. Now it has become Dubai's industrial power house. The decision to develop Jebel Ali was taken in August 1976, and the speed and dimension of the work that has since taken place are breathtaking. Jebel Ali's port, with 66 berths along 15 km of quays sheltering behind two breakwaters, will cost UAE dirhams 5.8bn (\$1.6bn). The project includes the dredging of a 17 km approach channel through the reefs and sands of the coastline.

The major industry at Jebel Ali is the Dubai Aluminium Company (Dubal) smelter which is 80 per cent owned by the Dubai government. The plant, which has cost nearly \$1.4bn to build, began test production in October 1979 and is now onstream. Annual output capacity currently stands at 135,000 tonnes but can be expanded to 180,000 tonnes.

The aluminium project is an example of the integration that has in the past been all too rare in Gulf industrial developments. Dubal's installations are powered by five 100MW gas turbines. The gas for those engines comes from the neighbouring gas liquefaction plant of the Dubai Natural Gas Company (Dugas), Jebel Ali's second major resident. Unfortunately Dugas's supplies are limited. Dubal therefore plans to pipe in gas from the fields in Abu Dhabi.

Dubal has its own desalination plant which can pump out 114m litres of water a day. At the moment, Dubal only uses about 23m litres a day, with the surplus going to Dubai City.

Ducab, the cable manufacturing company jointly owned by the Dubai government and the British company BICC is the third leading company in Jebel Ali. Though its investment of \$21.7m is modest beside the capital put into Dubal and Dugas, when the plant began producing in November 1979, it plugged an important gap in the market, capitalising on the Gulf's infrastructural growth.

It would seem that perhaps Dubai's planners have been at odds with themselves because of the success of Port Rashid. It was opened in 1972, with the second stage

expansion completed at the beginning of 1980, at a cost of \$247m. The port now has 37 berths, including a container terminal and roll-on, roll-off (ro-ro) facilities. It is managed by Gray Mackenzie's Dubai Port Services. During 1979 1,852 vessels loaded at Port Rashid, discharging a total of 2.7m tonnes of cargo.

Shortly after the second stage expansion of Port Rashid began it was announced that there were also plans to extend the breakwater and add a further 20 berths. This scheme has now been postponed indefinitely. It is difficult not to conclude that the Dubai authorities realised that Jebel Ali needs time in which to establish itself. Further promoting Port Rashid, when it is already a great success, would have inhibited Jebel Ali's development.

One problem that continues to plague Dubai's industrial future is the dry dock complex, which was opened in February 1979. Owned by Dubai Drydock Company, with a Dubai government majority shareholding, the complex cost \$500m to build and has three docks: one handling tankers up to 330,000 dwt, one for 500,000 dwt and a massive dock that could take a tanker of 1m dwt — if such a monster had ever been built. With the oil slump and the changing face of the petroleum industry, such grand schemes have been shelved. So apart from a few small jobs, the dock lies idle.

The UAE's industrial successes have not been limited to Abu Dhabi and Dubai. In Ras al Khaimah, the rock of the Hajar mountains has been mined for aggregate for local use and export to Saudi Arabia and Kuwait. The emirate houses the Gulf's first explosives factory and is still considering a scheme for a refinery at Khot Khuwair. Asphalt, lime and cement are also being produced.

Sharjah has a lube oil plant, a rope factory and the highly successful Sharjah Oxygen Company. As increased amounts of oil money come into the emirate with the exploitation of the Sajaa field, the emir Sheikh Sultan bin Mohammed al Qasimi and his advisers are investigating further areas for industrial expansion.

The three smaller emirates, Ajman, Fujairah and Umm al Qaiwain have also made some progress towards creating an industrial base. Fujairah is setting up plants for ceramic tiles, asbestos and cement. There is also a marble factory at the coastal town of Dibba.

Ajman, which like Fujairah, Umm al Qaiwain and to a lesser extent Ras al

Khaimah, all make a pleasant change from the bustle of the three wealthier and busier emirates, has been developing the shipyard owned by Arab Heavy Industries. This company is unusual in UAE terms, being a joint venture between the Ajman government, a Japanese company and private Gulf investors.

The yard reflects the economic position of Ajman in the federation. Arab Heavy Industries has concentrated on small workaday business and it has prospered. In 1980 it paid a dividend and results for 1981 are likely to be as good if not slightly improved. Ajman also has a marble quarry at Masfut. Umm al Qaiwain, while still relying very much on its traditional fishing and agriculture, has factories producing asbestos and cement.

The Five Year Plan (1981-1985) expressed concern about the duplication of projects in the federation. Examples include two paper-bag factories, one at Abu Dhabi and one at Sharjah, and the five cement plants, producing between them more than local markets can absorb.

Some outside observers are pessimistic about the Federal government's ability to persuade individual rulers of the need to submerge individual ambitions towards a national end. It has been mooted that some projects may actually have to be closed down as part of a rationalisation process.

There is also a growing feeling, based, not surprisingly in the old merchant bases of Dubai and Sharjah, that the federal and emiri governments ought to be sharing more of their projects with local businessmen.

This new mood is also reflected in a growing feeling that the important industrial areas in which the UAE should specialise are those of export substitution. Downstream petroleum products are obvious candidates but except in plastic piping, animal feeds and fertilisers, little progress has yet been made.

The problem is that of technology transfer. If the UAE imports advanced western technology, it has to bring in the technicians to operate it. Without its own technological base the UAE will be trapped in a dependent relationship. Some officials in the UAE now believe that the federation should establish its own research bureaus

Bringing Order to the Banking Sector

THE UNITED ARAB Emirates' Central Bank is celebrating its first birthday this December: it replaced the Currency Board, set up in May 1973, which over the years proved unable to cope with the federation's burgeoning financial sector. Critics say the Currency Board was utterly bewildered by the myriad of banking and investment developments that eventually got out of hand. When the board was set up, 18 months after the creation of the UAE, there were only six locally incorporated banks and 14 foreign commercial banks operating. By the end of 1976, the banking community had mushroomed to 53 commercial banks, 47 of which were operating a total of 295 branches.

These varied from the large to the dangerously small. Not all operated on sound banking principles — some investors were involved in two or three banks, while some houses were badly undercapitalised. All these banks were attracted by the substantial growth of the import trade and the blossoming of construction activity. The badly-run banks underestimated the risks of becoming unduly involved in real estate, and credit checking procedures were rudimentary.

But the rotten wood in the UAE's banking sector did not show up until the boom came to a sudden — though, as it turned out, temporary — halt in 1977. That year UAE inflation, imported in the rising cost of goods manufactured in a recession-hit industrialised world, reached 30 per cent. Two local banks failed and confidence in the banking system was shaken. The Currency Board made a number of changes, including a revaluation of the UAE dirham against the US dollar. It issued guidelines to banks about credit levels, revised the rules governing bank handling of funds and imposed harsher reserve level requirements.

In its first year of operations under governor Abdul Malik al Hamar, the Central Bank has set out to show that it means business. As executives celebrate the institution's first birthday, a number of bankers and entrepreneurs are nursing bruises. Foreign banks have been the first to be hit by the new regime. In May, the Central Bank issued an order prohibiting foreign banks from opening any further branches.

From now on, foreign banks are allowed no more than eight branches in the UAE. Those with more must close them by 1 January 1984. As a result, the foreign banks are going to have to shed a total of 90

branches. Hardest hit will be the British Bank of the Middle East (BBME) which at present operates 31 branches, and Bank of Credit and Commerce International (BCCI) with 28.

At the moment there are 21 local banks, with under 150 branches. Although the emirates have been heavily overbanked it would be reasonable to assume that the enforced retraction of the foreign banks is going to produce substantial opportunities for these local houses to expand. One local banker, Mohammed Mahjid al Furair of the Emirates National Bank's one branch (Dubai) has already announced that his bank will be increasing its capital base.

But there is more to the new Central Bank than hard-hitting and long-needed regulation of the country's financial sector. The bank represents a real advance of confidence in the federation itself. Under the terms of its establishment, the government is required to make permanent deposits of foreign currency, to the tune of the equivalent of \$2bn by the end of 1982. This then has to be augmented at the rate of ten per cent a year until the reserves stand at \$4bn. A bank spokesman said: 'Hereafter, ordinarily, no commercial bank or any group of banking and other institutions will be in a position to exert pressure through the market on the dirham. The Central Bank would be in a position to pre-empt any speculative tendencies.'

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